Flood Control—A Postwar Job (p. 9)

THE FINANCIAL POST

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The Nation's Business

Price Ceiling Must Have Solid Ottawa Backing

Pressure is increasing dangerously against the price ceiling, Chairman Donald Gordon of the Wartime Prices and Trade Board warned a Toronto audience last week. Mr. Gordon reported a letdown in public support at a time when demands for higher wages and food prices were growing in intensity. "If the dam breaks, then God help us," said Mr. Gordon, "because the flood waters will spread far and wide and bring endless suffering, misery and bitterness."

Mr. Gordon directed his appeal for support to delegates attending the Canadian Weekly Newspapers Association. He could hardly have appealed to a more potent audience for arousing public opinion to combat insistent demands from organized labor and agriculture for higher wages and food prices which, if granted, must certainly start an uncontrollable rise in the cost of living.

Mr. Gordon mentions these dangers bluntly; but he did not stress one of equal importance, the risk of sabotage from within the ranks of the government itself.

Time after time, Ottawa has gone over Mr. Gordon's head and made special concessions to labor and food producers. In some cases, perhaps many of them, these increases were deserved, but there must be some limit to concessions if the ceiling is to be held at all.

So far, there is little indication that either the Department of Labor or the Department of Agriculture recognize any limits. And now, following the recent dramatic demonstrations of waning government support in both rural and urban sections of the country, there is grave risk that further wholesale concessions may be granted.

With American living costs still rising steeply the battle against inflation is not going to be won easily, and we may be forced to make some further small strategic retreats here and there. One thing, however, is as certain as the rising of tomorrow's sun; we will lose that battle quickly and disastrously unless the government, as well as the public, is prepared to get squarely behind the price ceiling policy. Mr. Gordon must "sell" Ottawa on this policy, as well as the general public.

* * *

FOOD SITUATION GROWS CRITICAL

Canada's food situation, none too reassuring for the last year, has sharply deteriorated in recent weeks. By next winter conditions may be almost precarious.

Grain crops are close to a failure over large areas. Production goals set for the current seasons are not going to be reached by a wide margin. Not only are we going to have the greatest difficulty in maintaining volume of exports to our allies, and especially Great Britain, but in several major lines we are facing drastic shortages in feeding our own population. Only in wheat is there any assurance of a surplus and even here our large reserves may melt away quickly if we are suddenly faced, as we may well be, with any large calls to feed the near starving population of Europe.

The situation facing us is not one that can be solved by releasing a few men from the armed services and war factories to assist in the harvest. Such a step will only assure garnering the harvest that has already been grown. Our basic weakness is the small size of this harvest which is the raw material of our meat, dairy and poultry products.

For the present situation many unfavorable factors are to blame. One of them, the weather, we cannot control, but the others, a continuing shortage of labor and farm machinery, we could have controlled had the situation been faced realistically several months ago. As a result, our acreages in feed crops have not been maintained and it is doubtful whether our farmers can handle even as much livestock as they did a year ago.

Despite the fact that producing food is just as vital as the building of tanks or the training of soldiers, the agricultural industry which grows our food has received only secondary consideration with regard to labor and machinery. Fully 25% of its labor has been diverted to the armed forces and the war plants, and the output of farm machinery, the machine tools of the food front, has been drastically reduced. The inevitable result of this double squeeze is now becoming apparent in recurring shortages of meats, eggs, cheese, fruits and dairy products.

The situation is going to get much worse before it can possibly get any better, and there can be no future improvement unless prompt remedial measures are adopted. It is too late to do anything about increasing livestock feed production this year. That must wait for next spring's seeding. But more labor and farm machinery can be made available now to ensure best possible use of our present feed supplies and livestock holdings and to make the necessary fall and winter preparations for a much larger crop acreage next year.

* * *

BASIC AIRCREW PROBLEM STILL UNSOLVED

Lacking any clear-cut priority order from the Government the Air Force is broadcasting an appeal to all prospective recruits to sign up with the RCAF to avoid risk of being drafted into the Army. This appeal, coupled with a widening of the general draft, has resulted in a rush of enlistments in the Air Force. Manning pools are reported crowded and thousands of men have been signed up and are now awaiting their call for air training.

In this way the anxiety regarding a sufficient flow of aircrew recruits has been temporarily relieved but there is no guarantee that the basic problem, as revealed to a startled public in The Financial Post a month ago, has been one whit relieved. It simply means that for the time being the Air Force, in direct competition with the other services, has earmarked a block of potential recruits, a large proportion of which will probably be turned down or washed out during their training period.

In the meantime these men signed up but awaiting call in the RCAF are doing nothing, of no use to the Air Force, the Army or war production. In the meantime, too, large numbers of men of certain aircrew calibre are being held more or less against their will in various branches of our "inactive" home defense army.

This situation, wasteful at any time, verges on the criminal when it is vital that we make maximum use of the services of every man and woman. It stems directly from our lack of a decisive and national manpower policy. As our Ottawa correspondent reports this week: "What has caused the Air Force to wage open competition with the other services is the fear that once these men are drafted, they will be lost as potential aircrew and go to enlarge the 'Zombie' army of men, who, because they are drafted cannot be used for overseas unless they subsequently 'go active' of their own accord."

On paper Canada has raised an imposing military establishment but its fighting effectiveness is an entirely different matter. Our real military need is for fully trained aircrew and front line soldiers, and of these two aircrew should get first priority in our planning.

S. A. Crude Flow Shows Big Rise

International Pete. Shares in Increase With Colombia Gaining Eleven Times

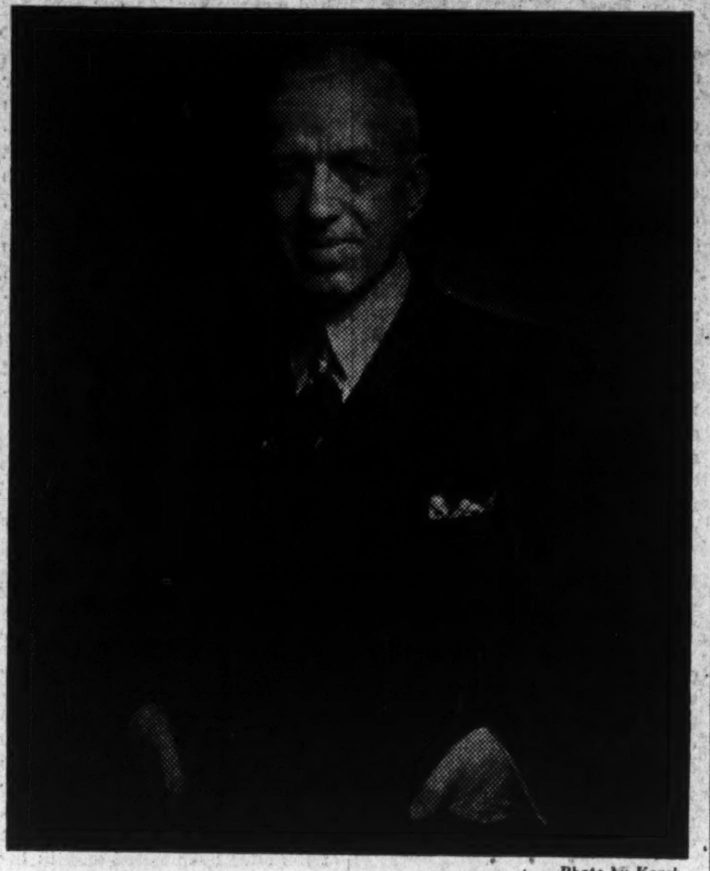
A 1,179% increase in Colombian oil production between Jan. and June, 1943, and a 20 to 25% rise reported for Venezuelan oil production have important implications for International Petroleum Co. which has been participating in the higher level of output, The Financial Post is informed.

Normally, half International Petroleum's total oil production equity is derived from Columbia while Venezuela accounts for roughly 25% and Peru the balance. This company is by far the largest producer in Colombia and Peru.

With tanker transportation of South American crude hard hit by the U-boat menace, Colombian crude production practically disappeared for a time, while the Venezuelan crude flow was also sharply curtailed. Peru production was maintained, however, due to the strategic location of the Peruvian fields from which oil is supplied to west coast South American users.

Changed position with regard to crude oil production from Colombia is of direct interest to shareholders of Andian National. This subsidiary of International Petroleum operates

(Continued on page 2, col. 3)



—Photo by Karsh.

TROUBLE SHOOTER

Faced with the task of finding more manpower in a reservoir that is rapidly drying up, Arthur J. MacNamara's National Selective Service is about to navigate the most difficult sections of a none too clear channel. His most recent steps have been to reorganize his manpower machine, following this up with a draft call to married men under 30. Recognized as one of Ottawa's ablest administrators, the Deputy Minister of Labor previously headed Canada's Unemployment Insurance Commission, and has been called in as trouble shooter on a number of tough problems, such as the job of straightening out the Soldiers' Dependence Allowances which brought him to Ottawa in 1940. Before that, Mr. MacNamara had been a Manitoba labor official since 1919, having joined the government service just after the turbulent Winnipeg general strike of that year.

Few Breaks Likely For Consumers

U. S. Action Cuts 4th Quarter Critical Allotments 13% and Affects Canada

By STAFF WRITER

OTTAWA.—Prospects for relaxation in the ban on durable civilian goods are still bleak, The Financial Post is informed.

In surveying the situation early last June as it then existed, The Post reported that prospect for "any important immediate revival in production of durable civilian goods in Canada is not bright." That situation still holds in the view of WPTB officials, and nothing that has happened in the intervening two months gives hope that immediate relief is in sight.

Cut-Backs Ordered

The situation in Canada is said to parallel that in the U. S. In Washington, under date of Aug. 10, Donald Nelson announced that fourth quarter allotments to claimant agencies for critical materials would have to be cut by 13%. Mr. Nelson blamed carbon steel as the chief limiting factor. Supplies of carbon steel, he indicated, were one fifth below requirements. This shortage, taken alongside the very tight position of other critical materials (especially copper), necessitated a further cutback for the last quarter in 1943. In the third quarter of this year the cut-back was 25%.

No Relief for Civilians

So far as U. S. was concerned, the Office of Civilian Requirements has received a slightly larger allotment of critical materials than in the third quarter. This was achieved by cutting the armed services 9% and all other users by 17%. The increased allotment to civilian users, however, is said to offer little prospect of relief to anything but the most essential civilian goods—goods which are deemed necessary to "maintain the health and welfare of the armed services and workers in war and essential industry."

Though every effort will be made to see that these essential services and needs are maintained, the present viewpoint in the U. S. (on the basis of present estimates of fourth quarter allotments) is thought to indicate no immediate let-up in the ban on any non-essential goods for which critical materials are required.

Banned List Unchanged

In Canada, studies of long lists of miscellaneous items now under ban, and which have been under scrutiny

(Continued on page 2, col. 4)

McTague Report May Topple Price Ceilings

Gordon Speech Seen as Indication Present Controls May Collapse if Higher Wage Recommendation Implemented

By KENNETH R. WILSON

OTTAWA. — Sand in the hourglass of Canada's far-famed price ceiling policy is running very low.

The official view is that this sand will definitely run out if the forthcoming McTague report on wage and labor relations recommends any general upward adjustment of wages—even for workers in so-called low-paid categories.

At the moment everything appears to hinge on the content of the McTague report. It is conceded the government will find it almost impossible to reject any report which is presented to it as a unanimous finding of the McTague enquiry. If that report recommends any action which would extend or accelerate the present continuous upward adjustment of wage rates throughout the country, then it is believed here in the very highest circles that the price ceiling program of the past two years will have to be abandoned.

(It is understood that the McTague report will be delivered to the Minister of Labor this week. It had not been received at midweek.)

The official view as to the dire consequences of abandonment of the price ceiling policy was painted in pungent and gloomy terms recently when Donald Gordon addressed the annual meeting of the Canadian Weekly Newspapers Association. Mr. Gordon's thesis was brief and crystal-clear: the pressure on the price ceiling is rapidly becoming insupportable; we are not succeeding in holding down costs; if the dam breaks, then God help us.

Mr. Gordon appealed for press support and for a revival of public enthusiasm and support for the ceiling policy. He painted as the alternative the "tragic futility" and "disaster" which "the whole crazy course of inflation has demonstrated again and again."

What has emerged in discussion of the Gordon speech here this week is a sharp cleavage of view as to whether or not Canada would be immediately or ultimately faced with the disastrous consequences of inflation if the present ceiling policy had to be abandoned.

Reflects High Opinion

Mr. Gordon is unquestionably reflecting the view of the government's top-ranking economic and

(Continued on page 2, col. 4)

RCAF Recruiting Drive Renews Fight for Men

Draft Extension May Affect 125,000 Canadians and Freeze Thousands in Home Defense Army Whose Functions Held Limited

By STAFF WRITER

OTTAWA. — Faced with the threat that tens of thousands of healthy Canadians now in the 27-30 married group or aged between 18½ and 19 may be held for the duration in the home defense army, the Air Force has intensified its nation-wide recruiting campaign of recent weeks.

In carefully worded display advertisements the RCAF is appealing to "all men 18½ years old and all married men 27 to 30 years old" not to "wait for your call" but to get into the RCAF before it is too late.

National Selective Service officials are reluctant to estimate the number of men who may be affected by the government's latest manpower policy. But a rough estimate of the number of men who come of age each year in Canada, plus the earlier figures of married men in age brackets previously called, would suggest that possibly 125,000 men may be affected by the new draft regulations.

See Whole Army "Lost"

What has caused the Air Force to wage open competition with the other two services is the fear that once these men are drafted they will be lost as potential air crew and go to enlarge the army of men who because they are drafted cannot be used for overseas service unless they subsequently "go active" of their own accord.

So far the government has refused to grant the RCAF priority for air crew over the other services, although this is the accepted practice in Australia, Great Britain and the United States.

It is admitted that the calling up of a new group under draft regulations has temporarily eased the alarming shortage of air crew enlistments in the RCAF. Invariably when pressure is being put on draft call-ups or when an age group is extended, a considerable number of men flock to the colors and enlist voluntarily in the service of their choice to avoid the draft.

What is objected to is not only the "back door" method of stimulating enlistment in the other services, but also the certainty that for every 100 "A" category men that are thus brought into the active services, a large number will be "frozen" for the duration into a home defense army whose role in the present stage of world combat is thought to be increasingly hypothetical.

Consumer Subsidies

See Meat, Fuel Added to List

Ottawa Moves to Placate Housewives, Farmers

By STAFF WRITER

OTTAWA—Another rise of a tenth of a point in the cost-of-living index—which stood at 118.8 at July 1—and another workers' bonus becomes due automatically. Most observers here think that such a rise is inevitable in the next period unless the government steps in with more consumer subsidies. This will likely be done, The Financial Post is informed, despite the general opposition of labor which claims that such a practice constitutes tampering with the official index.

Early last winter, it will be recalled, Ottawa subsidized consumer purchases of milk, coffee, oranges and tea in order to halt the slow but persistent rise in the index. For a few months the index remained quiet but recently, having been spurred by higher food costs, it has started to rise again.

Preliminary steps, it is understood, are now being taken to add to the consumer subsidy list. Most prominent item mentioned is meat, which bulks so largely in the 31% portion which food represents of the whole index.

A consumer subsidy on meat might serve two purposes, both considered highly desirable by politically minded Ottawa. In the first place, it would tend to placate millions of Canadian consumers, particularly women, who have been protesting vigorously at the rise in the price of this commodity during the last 18 months. Secondly, it would tend to soften hardening farm opinion against price control. Such a subsidy would not cut into present high livestock prices and in fact might permit some further rises to producers. At least some of the rural Liberal loss in the Ontario elections is attributed to the hostility of farmers toward price control.

Other items believed being explored with a view towards extending consumer subsidies include clothing, fuel and housing, but action in none of these is deemed

(Continued on page 2, col. 5)

Balance of Politics

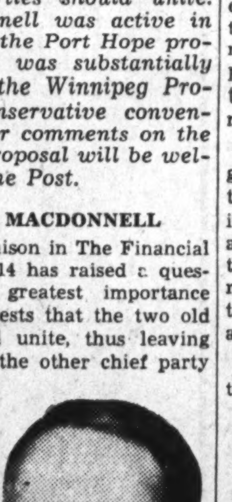
Senior Party Merger Attacked

J. M. Macdonnell Answers Bruce Hutchison's Argument

J. M. Macdonnell, president of the National Trust Co., Toronto, here gives his views on the conclusion of Bruce Hutchison, writing in The Financial Post of Aug. 14, that the two senior political parties should unite. Mr. Macdonnell was active in formulating the Port Hope program which was substantially adopted at the Winnipeg Progressive Conservative convention. Further comments on the Hutchison proposal will be welcomed by The Post.

By J. M. MACDONNELL

Bruce Hutchison in The Financial Post of Aug. 14 has raised a question of the greatest importance when he suggests that the two old parties should unite, thus leaving the C.C.F. as the other chief party in our system of party government. It would be very unfortunate if his persuasive style should lead to the acceptance of his suggestion.



J. M. MACDONNELL

Before dealing with his arguments, let me make one or two observations on the party system itself—a subject on which, considering its importance, there is an astonishing amount of loose thinking or no thinking at all.

In the first place, there is a disposition to forget that the party system is the only alternative to despotism that mankind has discovered—the only means of changing a government by peaceful means—by ballots and not by bullets.

The great discovery of the party system was that under it there is always available an alternative government—the opposition—known to the public, experienced in government, and constantly seeking by persuasion to gain public favor and thus itself to become the government.

Many people so far forget the great blessings conferred on us by the party system that they abuse it and pride themselves on being above it. They despise partisanship, they say, in a somewhat superior manner. Doubtless there are certain aspects of the party system that are not attractive.

But when we are oppressed by these, it is well to do two things.

1. To compare the alternative type of government as carried on in Germany and Italy.

2. To recall that if we and other critics like us took a hand, we could do much to improve the way party government is carried on.

Not Too Far Apart

A further and vital point is that while there must be differences between the parties, these differences must not be too great. If the differences are too wide, e.g. the difference between an out-and-out Socialist party and an out-and-out Free Enterprise party, then every change of government would be virtually an economic revolution. The system would tend to break down, because it would be almost impossible to imagine a free and fair election if the defeat of a government means also the defeat of the whole way of life it stands for.

I come now to Mr. Hutchison's argument. After describing the rise of the C.C.F. as "the redefinition of our national politics on the great issue of Statism versus Private Enterprise," he goes on to say "eventually the Right must be divided from the Left, the people who believe in Private Initiative from those who believe in the Big State."

Sees Inconsistencies

After apparently thus dooming us to the class war which would be likely, if not inevitable, if we were divided into two groups in sharp ideological opposition on this most basic economic and social question, Mr. Hutchison apparently realizes that this basis, however satisfying to the logician, does violence to "the immortal grounds of common sense."

Accordingly, he executes what, on the face of it, looks like a complete abandonment of his first position.

He proceeds to discuss in realistic terms what the C.C.F. must do to attain power and says: "To have any hope of office, or even of forming a real opposition in Parliament, the C.C.F. must effect the same sort of compromise that the other parties long ago mastered."

They must "try to erect a compromise in the first place between the city wage earner and the country farmer whose interests are in complete conflict . . . The C.C.F. must seek support in Protestant Ontario and Catholic Quebec. It must appeal to the wage earner in Hamilton and the habitant along the banks of the St. Lawrence." This sounds very different from "the redefinition of our national politics on the great issue of Statism versus Private Initiative."

His conclusion is that Mr. Coldwell "will certainly have to modify the Socialism of the C.C.F." and "the net result of this whole process should be to erect in Canada a government of private initiative more leftist than any we have known, opposed by an opposition more rightist than the C.C.F. used to be in its early days of innocence."

In other words, the views of Mr. Winch, the C.C.F. leader in British Columbia who proclaims "militant and revolutionary Socialism," and of the one-time intellectual leader of the party who wrote "Democracy Needs Socialism," are to be watered down to make a mixture palatable to the "many people of different sorts and varied interests" whose votes Mr. Coldwell wants to get. According to Mr. Hutchison, "Mr. Coldwell must achieve an equilibrium somehow, a balance between the extremists of the party" because "the only thing that could destroy the C.C.F. would be its identification with one class."

These remarks of Mr. Hutchison are very pertinent and wise, however far they depart from his earlier propositions. They do not, however, seem to provide any basis for the substitution of the C.C.F. for either of the old parties.

Socialist or Not

Either the C.C.F. is a Socialist Party—a party of the Left, a party of Statism, of the Big State — or it is not. If it is, then surely this will involve a close approach to identification with one class which Mr. Hutchison deplores and which, I admit, runs the risk of bringing on a class war.

We should, of course, not assume that if the C.C.F. gains power, which it is certain to do one day if we now accord to it the position of opposition, it will follow the moderate course prescribed by Mr.

(Continued on page 4)

Towers Takes Over NWFC Job

Ken Henderson Likely to Assume Chief Administrative Burdens

By STAFF WRITER

OTTAWA. — Resignation of George W. Spinney as chairman of the National War Finance Committee is taken here as a final yielding on the part of the government to a long-standing desire on Mr. Spinney's part to be relieved of his duties at Ottawa.

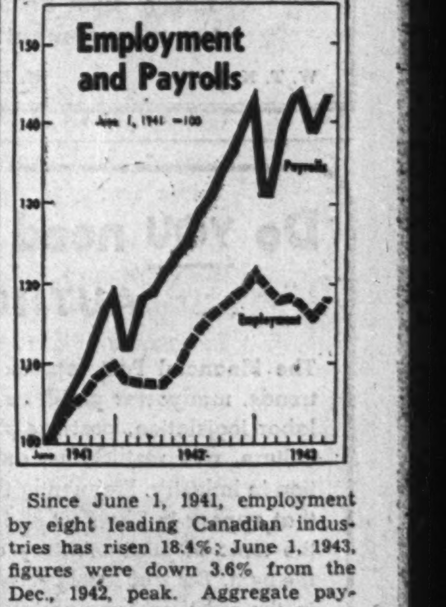
This desire to be free to return to his civilian job is said to date from the time when he became president of the Bank of Montreal—a position which has involved increasing demands on his time, demands which have been considerably more onerous than were those of his earlier job as joint general manager of the bank.

Ottawa Regrets

Mr. Spinney will be most sorely missed at Ottawa because of his extraordinary ability to bring people together and to find a workable and successful compromise from amid highly divergent and conflicting points of view. That responsibility will now fall largely on the hands of Governor Towers of the Bank of Canada who assumes the general chairmanship.

The actual executive job of administering the public financing of Canada's war effort will remain where it has rested increasingly for some time, namely, on Ken Henderson who becomes executive chairman of the committee.

Pace of Business



Since June 1, 1941, employment by eight leading Canadian industries has risen 18.4%; June 1, 1943, figures were down 3.6% from the Dec., 1942, peak. Aggregate payrolls for the same industries rose 43.6%; were within less than half of one per cent from the wartime peak reached Dec., 1942, and again April, 1943.

National income is estimated by Dominion Bureau of Statistics for June at $752 millions, unchanged from May and equivalent to an annual rate of over $9 billions.

Dominion government's July revenues were high at $282 millions, $210 millions under the month's expenditures; covered war expenditures with a $20 millions margin.

Carloadings for the Aug. 7 week this year were up more than 3,000 cars; this year's total is 5.1% above last to date.

Complete business statistics will be found on page 7.

A GRAND HAT

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Toronto Transportation Commission has for the second time won the annual safety award of the American Transit Association. This award is given to the urban transit companies serving populations of 500,000 and over either in the United States or Canada. Fifty-seven transportation companies were entered in the contest. In spite of an increase of 25% in the passenger traffic during 1942 the collision rate was reduced 7% and the passenger accident rate 23.5%, the T.T.C. reports.

Halliwell Gold Mines will shortly commence shipments of fluorspar from its property at Madoc, Ont., at the rate of a carload a week, it is stated. It is planned to ship upward of 150 tons a week when full equipment has been installed. A first shipment of mica has been made from the company's Linmac mica property near Ottawa.

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W. T. K. Collier — H. B. Norris — J. J. Quinlan

Do YOU need to speak AUTHORITATIVELY?

The Financial Post reports on social trends, manpower problems, housing, labor legislation, postwar plans, agriculture, war restrictions, and production in industry. Frequently the articles that appear in The Post one week are the topic of parliamentary discussion the next. Back of The Post as publisher is the vast news-gathering organization, The MacLean Publishing Company Limited.

The Financial Post is invaluable to those who aim to talk authoritatively across lunch tables, in committee and over footlights.

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B-4

The War and Business

By BRUCE MacKINNON

Reverse the Freeze?

In the United States critics of price control are pointing out that the price freeze is an indirect cause of inflation, since it does little to spur production for civilians. In Canada a somewhat similar situation is developing. Improvement in shipping is allowing material inventories to be partially rebuilt, and the Otis-Fensom Bofors gun barrel cutback is expected to forerun other cutbacks, releasing warworkers for civilian work.

But as yet the civilian industries continue to suffer acutely from manpower shortage, are finding that laid-off warworkers prefer to stay idle a month or two in hopes of another war job than to look for work in civilian plants. Some manufacturers fear that wage ceilings are frozen at a level which discourages a quick return to civilian work on any break in war output. They point out that the ceilings went in late in 1941, froze wages at levels which encouraged workers to shift to war industry. Not until cutbacks become considerably more widespread and lasting is any relief expected.

* * *

Fun on the Farm

Postmen at Ottawa are staggering under the weight of 10,000 letters sent from Saskatchewan farmers protesting taxation of the Sask. Wheat Pool, along with the other wheat pools, which is slated to join the ranks of taxpayers as the result of a decision that it is not a co-operative in the income tax sense of the word.

Smarting under this slur, the poolsters are providing their members with letters, complete with addressed envelopes, which they have only to sign and slip in the mail box. Fifteen letters cost the farmer 50 cents, for which sum he is able to address 15 Dominion Cabinet Ministers and officials on subjects ranging from parity prices and debt adjustment to the iniquity of taxing Wheat Pool profits.

* * *

Near Beef

Announcement in a U. S. publication that meat made from yeast may be the major source of postwar proteins finds Ottawa food experts inclined to pooh-pooh—with reservations. They admit that the meat substitutes, about twice as high in protein content, can be made for about 10c. lb., and is being made for 6d. per lb. in Jamaica.

But although the flavor of this substitute has probably been improved by development of new yeast strains, they point out that the same stunt was tried in Germany during the last war, and despite the famished state of the nation and the nourishing qualities of the yeast, the product failed to go over. They also point out that there is some question as to the amount of yeast protein the human system can absorb. Tried out as a supplement to cattle diet, it was found that yeast had to be used in limited quantities. At the same time they are keeping crossed fingers, since the yeast meat is so much cheaper than the natural product that even partial acceptance by the public (in sandwich spreads, etc.) might revolutionize the livestock industry.

* * *

U-Boats Away

Although figures have just been released on sinkings of U-boats, nothing is more secret than the new devices being used, since they are so effective it is doubtful if any subs have survived to tell the full story in Berlin. The most that qualified observers will state is that improvement in detection, patrol and attack methods has been so great that the U-boat literally "hasn't a chance," barring accidents or bad management on our part.

They point out, moreover, that if you can be sure of spotting an undersea raider, of getting your escort craft close to him, and you have a sufficiently powerful weapon to sink him, your U-boat worries are over. In effect, this removes the sub's chief asset, invisibility, and puts the craft in the same position as a surface vessel. It is felt that only much heavier armament, including anti-aircraft guns more effective than any now in use on U-boats, could put the subs back in scoring position, and this only temporarily.

* * *

No Cut in Quality

Some engineers have taken the view that wartime frill-killing and material shortages would tend to establish bad habits in production, keep down quality for some years after the war. If there ever was ground for this belief, it is being rapidly removed by industrialists. Our growth in productive capacity has been so marked that production men are predicting intense competition for the postwar domestic market. This, and the fact that so-called frills have been killed only in the face of a national emergency, are expected to bring a sharp improvement in quality.

S. A. Crude Flows Again

(Continued from page 1)

the pipe line from Pete's oil fields to the coast, depending for its revenues on flow of crude from this source. When the submarine threat of last year shut this off, Andian National shortly had to omit all dividend payments. The reopening of these fields leaves Andian National shareholders with renewed hopes for further returns on their investment.

Colombia Sets Record

Now the over-all situation has radically changed. Colombian June production of 2,455,720 bbls. showed an almost phenomenal growth and was the highest on record, beating the previous record of 2,336,000 bbls. established in Feb., 1942. The monthly record of production, as published by the Oil and Gas Journal, follows:

Colombian Crude Output

	Total bbls.	Daily average bbls.
1941:		
July	2,119,000	67,710
August	2,330,000	75,161
September	2,132,000	71,066
October	2,237,000	74,566
November	2,131,000	71,032
December	2,221,000	71,645
1942:		
January	2,213,000	71,387
February	2,336,000	83,428
March	1,296,000	41,806
April	1,072,000	35,733
May	1,121,000	36,161
June	786,000	26,200
July	469,000	15,064
August	379,000	12,226
September	348,000	11,600
October	198,000	6,381
November	184,000	6,131
December	188,000	6,074
1943:		
January	192,000	6,727
February	334,000	11,936
March	492,000	15,215
April	350,000	11,679
May	934,000	30,129
June	2,455,000	81,857

In the early part of last month Venezuelan daily production neared 500,000 bbls., it is reported, which would represent an increase of 25% over the average for the first four months of 1943. Before the U-boat menace became acute, production was as high as 800,000 bbls. a day and it is now predicted that Venezuelan production may reach as much as a million barrels a day within the next year.

More Tankers

Increased production is attributed primarily to the increase in the United Nations' tanker fleet; but shipment of part of the Colombian production to California may also have been a factor.

In the first seven months of 1943, the U.S. completed 88 tankers or 26 more than completed in all 1942, it is stated. Tanker production, which averaged 12.5 a month for the first seven months, was expected to reach 20 a month in August.

Rate of tanker construction—and continued control of the U-boat menace—will undoubtedly continue to determine the pace at which South American oil production can be expanded. Every ocean-going tanker added to the United Nations' fleet makes possible an increase in crude oil production of several thousand barrels a day from oil fields outside the United States, it is claimed. Thus if 100 to 120 more boats are completed in the August-December period, daily crude production outside the United States might be increased by several hundred thousand barrels by the end of the year.

Drilling of wells in South American oil fields was curtailed when crude production slowed down but it is expected drilling will soon be on a more normal scale again. Wildcatting for new oil fields never was curtailed in South American fields, Washington authorities encouraging the search for new oil fields even during the critical U-boat period which now seems to be a thing of the past. It was production drilling on established fields that suffered sharpest declines.

McTague Report Seen Threat to Price Ceilings

(Continued from page 1)

fiscal advisers when he says that it is all or nothing in relation to the price ceiling. After two years of struggle to hold the substance, if not the entirety of the ceiling "line," there is a greater-than-ever conviction that a price ceiling is the only form of price control that is tenable.

It is also asserted with conviction that to attempt to re-form a new price ceiling "line" at some generally higher level than that which is presently maintained would be to set up a whole new chain of inequities and maladjustments which would only magnify and aggravate present real or fancied weaknesses.

Other Views Held

On the other hand, there is throughout the rank and file of the Price Ceiling Administration itself (as well as in the minds of many businessmen) a feeling that now is the time to reconsider the whole price and wage stabilization policy and in light of the probable McTague findings to adopt a more "realistic" price control program.

Such a view has in mind the distinction between the present price "ceiling" and a modified program of price "control." It has in mind an approach which would place the Price Board less on the defensive, and restore the active and enthusiastic support of labor and farm groups. It thinks in terms of an "adjustment" which might mean several points in terms of the cost-of-living index, but which when once achieved would place the Board in a stronger position to regain and retain the support of business, labor and farm groups who are now definitely restive under the present situation.

Wide Gap Exists

Clearly there is a wide gap between this type of thinking and the point of view of key officials, who have so far controlled WPTB policy and who see no reasonable alternative short of a continued holding of the present price ceiling. This is the point of view which Donald Gordon put forward with vehemence and conviction at Toronto last week and which sees disaster in anything that compromises with the present policy.

It is this point of view which looks with the very greatest of alarm on the probable findings of the McTague report. What is believed is that if the McTague report proposes anything beyond a program which checks almost completely the present rising tide of wage increases, then the price ceiling is doomed. From that point only the most painful and complex readjustment of the price control machinery is seen as happening — a readjustment which it is believed can only magnify rather than ease present difficulties.

See No Let-up In Bans On Civilian Goods

(Continued from page 1)

in recent months, have made no headway. Two or three months ago there was every prospect that if a number of items, using critical materials and which were on borderline of essentiality, were given the green light in the U. S., then Canada would follow suit and permit them to be manufactured again. This casing policy has not materialized and the situation is still unchanged.

Canada's Position

It is pointed out here that Canada's position as an "unofficial" claimant agency in respect of critical materials which must be imported from the U. S. is not comparable to the position of other claimant agencies across the line. Current practice is to bulk Canada's allotment of critical materials and permit control authorities in this country to then do their own allocation. This permits considerably greater flexibility in Canada than would be the case if Canada were required to follow in detail the individual allocations which were formerly given to each manufacturer or agency.

More Subsidies Seen Likely

(Continued from page 1)

as certain as with meat.

High officials of the Department of Finance and WPTB are rather sensitive when the cost-of-living index is questioned. They defend it instantly and staunchly as a highly accurate barometer of the real cost of living in Canada. They point out that it is compiled entirely by an independent and unprejudiced body, the Dominion Bureau of Statistics under the Department of Trade and Commerce.

Too many people, these officials argue, confuse the average prewar standard of living with an improved standard they are enjoying or would like to enjoy today. The index, they state, does not represent the cost of living of the well-to-do, which has increased greatly since the war began due to income and certain luxury taxes which are not included in the cost-of-living index. Neither would it be representative of the living costs of a family which goes in for the higher priced meats, or for any great quantity of imported fruits and vegetables. In fact some of its many critics maintain that it must be based on the newest subsistence level.

Ottawa officials also defend the paying of consumer subsidies which, they argue, if kept within reasonable proportions, are much more economical than letting living costs soar and the public pay. Every point rise in the C.O.L. index, Finance Minister Ilsley has stated, costs Canadian consumers $35 millions yearly.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	—Sold to—	Rate	Due	Amount	Price	Yield
Municipal—						
R. C. Episcopal Corp., Ottawa	....	3%	1944-53	$47,500	....	....
		3¼%	1954-68	84,100	....	....
		3½%	1944-58	26,000	....	....
Dominion—						
Canada Treasury Bills	....	....	Nov. 12	55,000,000	99.876	.496%

Likely Extend New Tax Plan

Coal Mines Now May Use Flat Rate Percentage Deduction

By STAFF WRITER

OTTAWA.—Income tax officials are already experimenting with a new type of pay-as-you-earn income tax deduction plan aimed to eliminate overtime and absenteeism problems in Canadian factories.

The new plan is now available in Canadian coal mines. If it is successful it may be extended to other plants and industries and eventually to all payroll deduction plans, unless one of the half-dozen other plans still being considered is adopted.

The new plan introduces a flat-rate percentage deduction based on the estimated earnings of the worker for the entire year. Thus if a worker earned say $1,800 last year he will pay a uniform percentage tax rate each payday, the percentage to be based on the $1,800 and adjusted for his marital status, dependents, savings, etc. A married man with no dependents and no voluntary savings would pay a flat 17%, regardless of whether he worked a "short" or a "long" week. Half of this would be refundable after the war.

Iron Out Inequities

In this way it is hoped to iron out the apparent inequities of the old plan which appeared to bear heavily on men who piled up a lot of overtime in any one week.

If, as and when the plan is applied generally to all industry, it is probable that important modifications will be made to suit the needs of special groups or types of employee. For example, it may be that in many industries the "base" on which the percentage will be calculated will be the employee's earnings in the previous quarter rather than in the preceding year.

Every effort is being made to keep the plan as simple as possible from the employer's standpoint. Employers will likely be called upon to calculate only the flat percentage rate for each employee.

War Spending Rises Again

July Second Highest Month of War—Seven Months Up Nearly 50%

Dominion Government direct expenditures for war purposes in July reached $264.3 millions—almost $80 millions more than in the corresponding month of 1942 and a figure only exceeded by the exceptionally high May outlay of $272.2 millions.

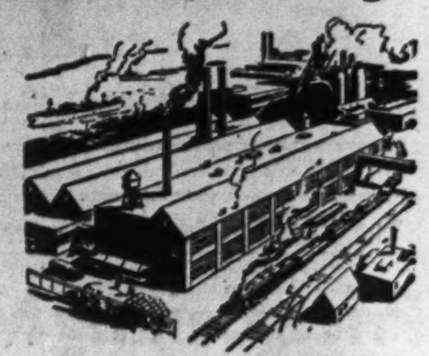
Total war expenditures from April 1, 1943, to July 31, 1943, were $409.2 millions compared with $342.6 millions for the similar period of 1942. From the Dominion war expenditures figures, there is little indication as yet that Canada's overall war effort has reached a maximum which in some circles had been forecast for last February.

Besides direct Canadian war expenditures, United Nations Mutual Aid extended by Canada was $188 millions in July; U. K. aid in July, 1942, was 112.5 millions.

Revenue from all sources was sharply higher, reaching $282.9 millions in July against $198.9 millions and $205.1 millions for June and May respectively. The July receipts were well over double the $121.8 millions taken in during July, 1942. The big rise in revenue was derived from the income and excess profits levies, $193.8 being received from these sources in July, 1943, almost four times the $51.9 millions of July, 1942.

For the period, April 1, 1943, to July 31, 1943, Dominion revenues rose to $867.2 millions from the $742.1 millions of the same period of 1942.

MAKING *War* SUPPLIES May Involve Extra Financing



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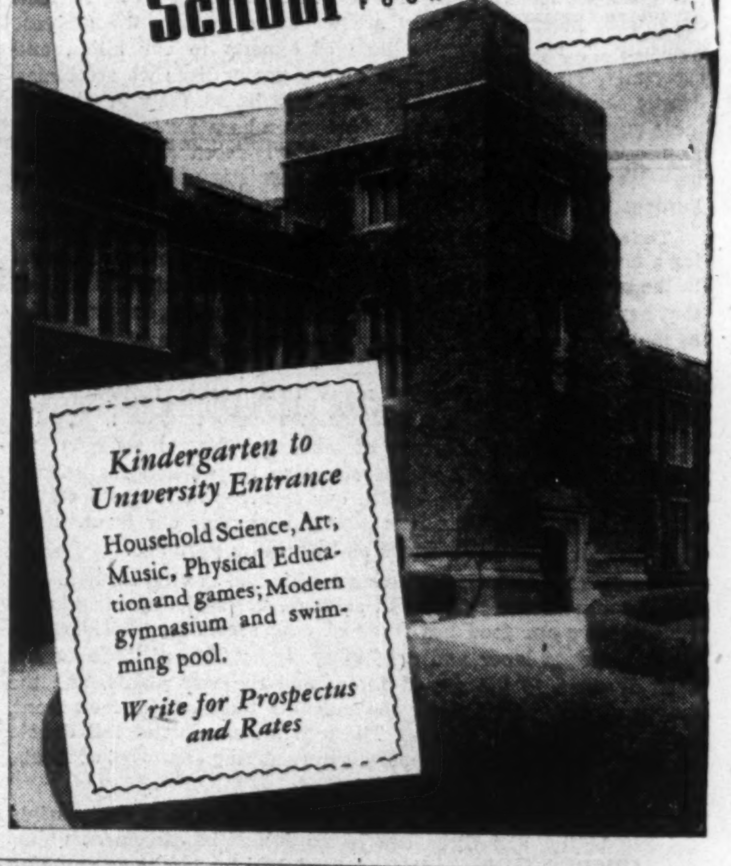

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In Your Opinion—

When Should We Lift Wartime Controls?

The Question: In what order at war's end should we rescind such wartime restrictions as censorship, price and wage ceilings, rationing, bans on civilian goods, foreign travel, etc.?

W. E. Crateau
Editor, Journal, Prescott, Ont.

What we do when the struggle of peace starts will prove whether we have learned anything from the sacrifice of human lives. The end of hostilities should not mean the return of carefree spending. Millions of human beings will need material aid, clothing, foodstuffs and machinery. We should be willing to sacrifice as much for that purpose as for war. If we do, there will have to be restrictions. Rationing could be continued if the surplus goods were sent to war-torn countries. Censorship will automatically disappear. There is no need for general foreign travel. Price and wage ceilings should be abolished as each locality and business have different costs.

* * *

R. D. Colquette
Editor, Country Guide, Winnipeg

Censorship should be removed immediately it ceases to be a military necessity. Prices and wage ceilings should be retained until the possibility of inflation has been removed by international monetary agreements. Rationing will have to be continued until there is plenty of food for all, including liberated peoples and even enemy belligerents.

It should not be necessary to retain bans on civilian goods after the war; a return to ordinary consumption of industrial products should be allowed as rapidly as industry can be revamped to supply them. The only restriction on foreign travel, etc. will be the physical facilities necessary to accommodate it and high income taxes necessary to finance demobilization and postwar make-work programs.

* * *

A. R. Coffin
Editor, News, Truro, N.S.

Should the war continue for four or five years longer, conditions at its end may call for different answers to your questions. Hoping for a comparatively early ending, I would say that censorship should give place to freedom of the press and speech immediately. Controlled prices, wage ceilings and rationing should be entirely eliminated, but gradually and completely within a year at the most. Foreign travel should be limited only by available accommodation and services.

* * *

J. A. Caulder
President and managing director, Dairy Corporation of Canada, Toronto.

I believe that wartime restrictions on censorship should be entirely removed at the end of the war, except on certain matters pertaining to the drafting of peace treaties; but, in any event, all censorship restrictions should be eliminated as soon as possible.

Price ceiling should remain until there is something approaching a surplus of consumer goods. Most assuredly price ceilings would have to be maintained until the wage ceilings were removed. Rationing bans on civilian goods should remain until there is a surplus of such goods. Restriction on foreign travel should be removed as soon as transportation facilities are available and the foreign exchange situation is placed on a basis that will permit the spending of Canadian funds abroad without an undue strain on our financial situation.

* * *

T. R. Deacon
Former president, Manitoba Bridge and Iron Corp., and also a former mayor of Winnipeg.

In my opinion, conditions actually obtaining in this country and abroad at the close of the war should determine the time and the order in which all the abnormal restrictions now existing because of war conditions should be rescinded and completely abolished, and the normal conditions of trade and commerce, private contract and the free movement of both goods and persons should be restored.

Freedom of life with only the necessary social restrictions is what we are fighting for and we do not want the Canadian people to get into the habit of living under police surveillance, nor a generation to grow up unacquainted with the liberties which we enjoyed before the war, and which the German people, of which Hitler was the figurehead, sought to destroy.

* * *

G. E. Hall
Editor, News-Record, Clinton, Ont.

If we are to avoid the trouble we had in putting the rationing restrictions in force, we should not lift them for one year after the war ends and take them off one at a time with three months between each one in order as the government sees necessary.

* * *

H. M. Hughes, K.C.
Of Craig, Hughes & McLeod, legal firm, Winnipeg.

I strongly favor abolition of wartime restrictions as soon as possible after the war's end. Censorship, foreign travel and selective service limitation should be removed at once, consistent with the return of troops to Canada.

Rationing bans on civilian goods and rental restrictions should be removed within three to six months thereafter.

Regulations on prices and wage ceilings should be kept on for a sufficient length of time to permit the change-over to civilian productions, but removed gradually within at least one year.

Realizing the necessity and usefulness of the restrictions during wartime, I feel our government should thereafter use as great an effort in the promotion of business and employment as has been employed in the promotion of restrictions.

* * *

George S. Hougham
Dominion secretary, Retail Merchants Association of Canada.

I would hesitate to express an opinion as to the order in which wartime economy regulations should be lifted when peace is declared for the reason that it is impossible to visualize the world economic situation and Canada's relation thereto. Existing retail inventories of wartime merchandise at that time may need a reasonable period for orderly liquidation. Food rationing may be necessary for some time to permit physical restoration of peoples in present occupied countries. Canadian Retail Federation has a committee studying these and related matters with a view to making appropriate recommendations at the right time.

* * *

Norman L. Leach
President, Searle Grain Co., Winnipeg.

We should rescind censorship at once. Other restrictions mentioned and more which may be necessary before the war ended should be continued for a short time if, in the opinion of our own government, they are essentially necessary for the general over-all benefit and protection of the people, of agriculture, fisheries and all commercial interests.

* * *

John J. MacLellan
Well-known farmer of Purple Springs, Alta.

Censorship should be the first to go. The public will want to be kept informed re postwar conditions and developments. Also, there should be free expression between themselves as Canadians in pre-war times. Foreign travel should be allowed at once, too, especially to United States points in the interest of renewed trade and continued better relations.

Rationing bans on civilian goods should be removed as quickly as possible in the interest of internal trade. Prices on farm output should be maintained for some time to avoid collapse such as followed at the close of the last war with such grave results.

* * *

Leslie C. May
Editor, News, Powell River, B.C.

This war is being fought for freedoms embracing freedom of speech, and a last stronghold and first herald of liberty is free press censorship. This definitely should be the first restriction rescinded, secondly, foreign travel to give an impetus to the rebuilding of friendly international relations; thirdly, bans on civilian goods to encourage private enterprise and resultant employment. I am convinced that rationing of certain essentials will be necessary for some time after the war to permit Canada to carry its responsibility in rehabilitation to less fortunate peoples. Proper democratic control of prices and wages should form an integral part of postwar economy. Foremost, however, will be the necessary elimination of bureaucratic control and return to government by parliamentary rule.

* * *

H. McD. Paterson
Vice-chairman, Montreal Stock Exchange.

I think wartime restrictions should be rescinded as opportunity presents itself. I do not feel any expression of opinion as to the order in which this should be done serves any useful purpose at this time. In my opinion such order should be based on conditions existing at the end of the war.

* * *

J. S. Palmer
Prominent farmer of Marsden, Sask.

I would lift wartime restrictions in the following order: censorship, foreign travel, rationing, ban on civilian goods, prices and wage ceiling.

By lifting censorship first we will promote at the first possible opportunity a free interchange of ideas that is as essential for our wellbeing as the interchange of goods is to our economy.

* * *

E. G. Quick
Editor, Review, Weyburn, Sask.

One of the first of the wartime restrictions to be removed when hostilities cease should be that placed on employment under National Selective Service. Hardship is placed on practically all businesses through inability to secure proper help and government control should be removed as soon as possible. It would allow men to return to industry for the production of consumer goods. Censorship could be relaxed almost immediately as no need would exist for it once military operations were over, except as regards armies of occupation. Restrictions on foreign travel ought to follow as this would naturally be governed by shipping and rail facilities available. Removal of rationing bans on civilian goods ought to precede removal of prices and wage ceilings which should be kept in force until normal supplies are reached.

* * *

L. D. Squair
Vice-president, Dominion Stores Ltd., Toronto.

The purpose of waging total war should be removed within 30 days of the cessation of hostilities. Prices, wage ceilings and rationing are necessary because of shortages in production and manpower. Wage and salary ceilings and ceilings on civilian services should be removed as soon as demobilization commences. Price ceilings and rationing should be removed as soon as production for any commodity is approaching normal. As return to normal civilian goods production will vary as between commodities or groups of commodities, the removal of ceilings should not be uniform for all commodities but should be governed by production accomplishments.

* * *

Ronald Tuckwell
Editor, Sentinel, Pilot Mound, Man.

As quickly as is possible following the ending of the war all existing wartime restrictions in Canada should be removed since these now are suffered by loyal, freedom-loving Canadians only in the interest of an all-out effort for victory. If the existing setup makes it undesirable or not feasible to remove all in one sweep, in my opinion they should be eliminated in the following order:

1. Censorship of all forms on press and news.
2. Price controls.
3. Rationing of all commodities.
4. Ceiling on wages, services and commodities.
5. Ban on foreign travel.

* * *

R. W. Ward
President, Canadian Bakeries Ltd., Calgary.

I can see no reason why censorship should not be rescinded immediately hostilities are over. Price and wage ceilings should be retained for a considerable period—at least until our boys overseas are back home and taking their places in civilian life again.

Industrial institutions in general will have to have new equipment and this will take a long time to secure. Therefore, I think present price and ceilings should remain indefinitely. Rationing should take care of itself, depending on crops, transportation, etc. Foreign travel should be restricted for some time after the war or until conditions are back to normal.

* * *

S. N. Wynn
Editor, Enterprise, Yorkton, Sask.

It is our opinion that circumstances as yet unknown would play an important part in releasing wartime restrictions of any kind. Naturally, censorship should be released at the earliest possible time to let the people know what is going on, but at the same time the other restrictions governing circumstances possibly are as important from this point. However, we would suggest this order:

1. Restriction of censorship.
2. Rationing.
3. Wage ceilings.
4. Price ceilings.

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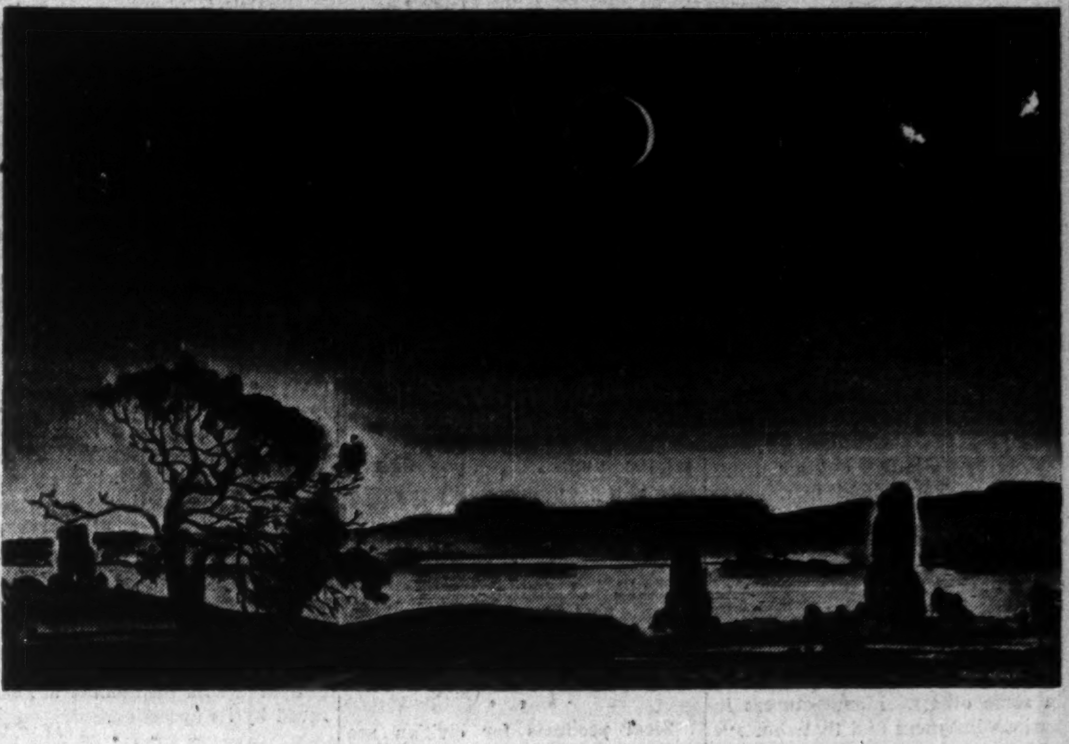

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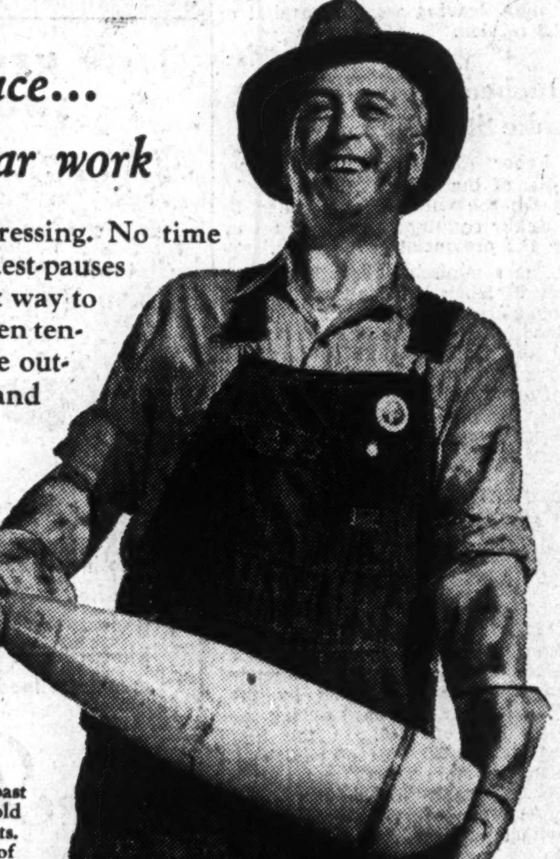

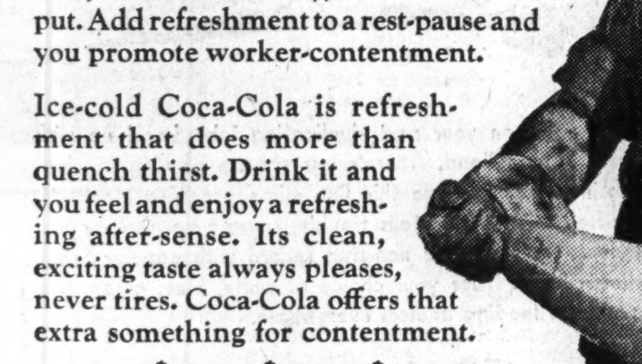

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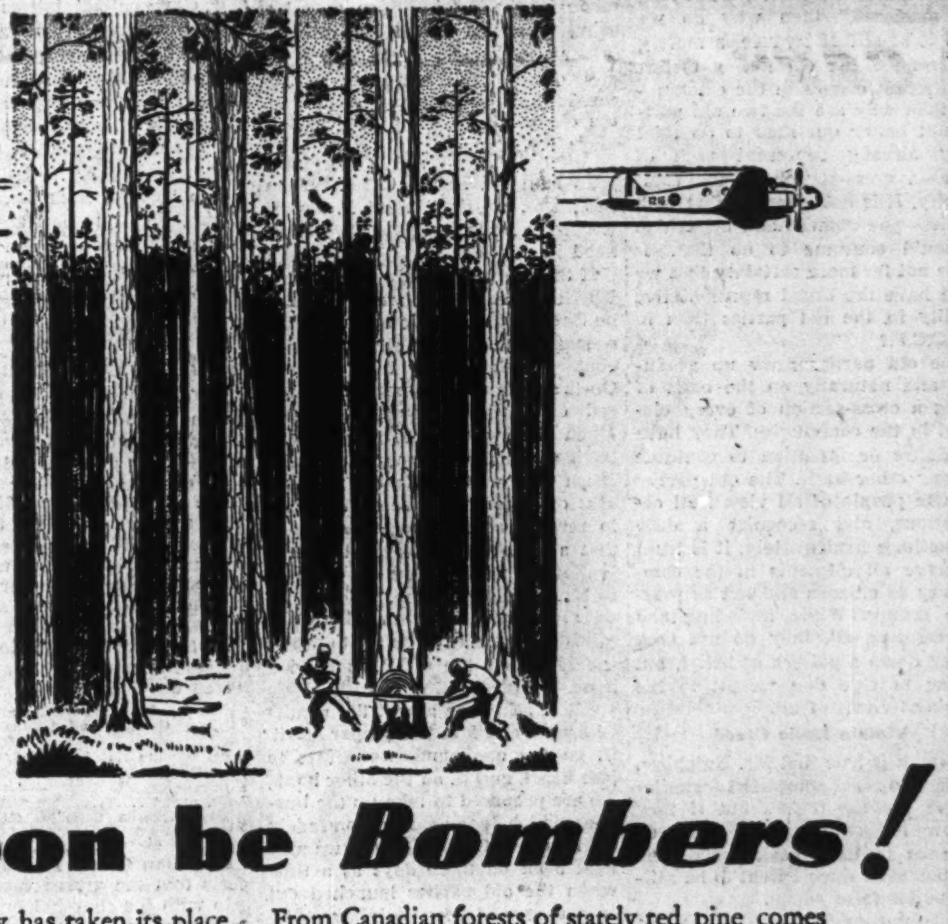

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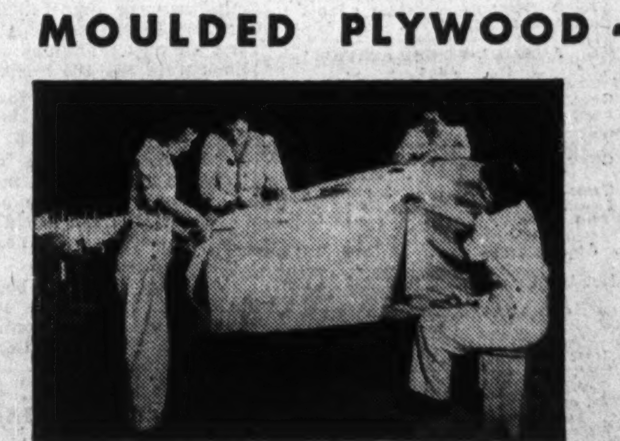
Today's developments foretell important peacetime production—because articles of moulded plastic plywood will be in increasing demand in the post-war world.

MOULDED PLYWOOD — STRONG AS STEEL



Skilful girls first wrap thin veneer plywood strips around the solid mandrel—in three or four layers. The plywood is then moulded in a giant autoclave.

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Civilian Supply

Inventories Near Exhaustion

Post Survey Shows New Goods Hard to Get

Due to wartime restrictions manufacturers, wholesalers and retailers will be unable to replenish inventories of certain civilian goods when present stocks are exhausted, it is sometimes claimed.

A survey by The Financial Post reveals a somewhat variegated pattern. A general condition is there is no surplus of goods or materials anywhere. At the same time, while in some lines of business inventories appear to be exhausted, others believe they will be able to carry on supplying the needs of their customers by rationing out the goods they get. These hold that, while the situation is full of headaches, by constant vigilance it is possible to get by.

Much depends on the nature of the materials used. For instance in industries which use metal and rubber to a large extent the situation seems to be more serious than in some others. Manufacturers in various instances find that shortage of labor is as great a handicap as scarcity of materials.

Among manufacturers and merchants the following views were expressed to The Financial Post:

* * *

Electrical appliances. Due to wartime restrictions on materials and the short labor supply, stocks of household appliances are just about exhausted. There are a few electric stoves and refrigerators still around, the former being distributed under government regulation. But the supply of these and other civilian goods is just about finished. Hopes are held that some easing of the restrictions will take place soon if the war situation permits.

* * *

Agricultural implements. While inventories have disappeared it is expected that production will be larger in the coming months because the government has allowed manufacturers to use 80% of their 1940 supply of materials against about 32% last year. Manufacturers state that this does not mean that they will get the necessary supplies, as the authority to use a certain quantity is no guarantee it will be forthcoming. In addition to this, difficulty in obtaining the necessary labor is another factor. There have been numerous complaints from farmers unable to get the machinery they want.

* * *

Steel products for civilian use such as galvanized iron and enamel kitchenware etc.—Stocks of all classes of civilian goods are light right down the line. Some easing of the situation has been made in regard to milk cans where increased milk shipments were being held up by shortage of cans. In most lines, one executive stated, the public has not suffered yet from shortage of any goods for ordinary household use. The former wide variety of goods is not available.

Bicycles, baby carriages, skates, etc. Sharp declines in available supplies are seen in 1944 under existing conditions. Difficulty lies in the shortage of metal, especially carbon steel and rubber. While labor is scarce one executive expressed the belief that if he could get the material he could increase production 70 or 75%.

* * *

Business machines. The situation in different quarters appears to be uneven, some firms having larger supplies than others. Accordingly, one executive claimed the difficulty is one of distribution rather than supply. It was argued that business machines, calculators, adding machines, typewriters are essential because they save so much time. Number of man-hours required to make an adding machine for instance was stated to be very small compared with the number of hours saved by its operation.

* * *

Men's clothing. No real shortage is feared in clothing of average quality if the public buys only what it needs. Greatest difficulty is found in obtaining supplies of the best and the poorest qualities. Patterns of cloths are not as numerous as usual.

* * *

Furniture. Stocks of finished furniture on hand are steadily declining owing partly to scarcity of raw materials and the labor situation. Existing inventories were stated to be mainly in the hands of retailers. Production has been well maintained to date by standardization, but a considerable decline is now expected. Further reductions in inventories may be looked for.

* * *

General merchandise. Varying conditions are reported. In some cases merchants with large stocks they held back some months ago are now offering them out freely. One firm reports getting an offer of needles from England the first in many months. Generally supplies of merchandise offered are just about 50% of requirements. Biggest turnover is in lines that are easy to get such as cosmetics. Supplies of hardware for household purposes are rather disappointing with most serious shortage in tools.

Automotive parts are in shorter supply with the tendency expected to increase.

* * *

Furs. Supplies of made up fur garments are considered adequate for the present but raw fur stocks are shorter than usual. Consequently a shortage of civilian goods is expected before many months. The shortage can be cured only when trappers get out on their lines again in peacetime numbers. Furs are not used in any great quantity for the armed forces, consequently civilians are the only ones likely to suffer from the possible shortage.

Macdonnell Challenges Hutchison's Conclusion

(Continued from page 1)

Hutchison. We should, on the contrary, consider it quite possible that it will fall into the hands of those who like the full Socialist position. It is from such people that the real intellectual impulse to the party has come and they may well control it if it gains power.

Where Threat Lies

If this should happen, then we have the grave threat to the whole system of party government which I have mentioned above, and which arises when we have two parties so far separated in their views that any change of government is virtually an economic revolution.

If, on the other hand, the C.C.F. is "to effect the same sort of compromises that the other parties long ago mastered," then why do we need it at all? If its role is merely to reconcile the conflicting claims of different classes in the community, then why are the two old parties not better qualified to do this? They already represent each of them—a cross-section of the community. It is not essential that both parties—government and opposition—should continue to do that. Is there not far more certainty that we shall have the broad representative quality in the old parties than in the C.C.F.?

The old parties grew up gradually and naturally on the basis of being a cross-section of every element in the community. They have no desire or intention to continue on any other basis. The old parties include people of all views, all occupations, and recognize a duty (sometimes inadequately, it is true) to serve all elements in the community as citizens and not as pressure groups. While including and representing all, they do not seek to lay down a pattern of belief, but rather to give due weight to the different views of all.

Violate Basic Creed

Now, it is true that Mr. Hutchison prescribes a somewhat similar course for the C.C.F., but if they follow his advice, they must do violence to their basic creed, and are bound to some extent to be sailing under false colors.

But someone will say, "If the two old parties are to be left as government and opposition, does that not mean an absence of new and constructive policies?"

To that there are two answers. In the first place, no one will suggest after the Progressive Conservative platform at Winnipeg, and after the platform recently put forward by Mr. Drew, that there is any lack of constructive capacity in the old parties. These platforms show that they realize that new movements and a new urgency are in the air, and that there must be new approaches to old problems. Indeed, Mr. Drew was criticized for having invaded C.C.F. territory—which only goes to show a misconception of what can be done by the old parties, especially with the name Progressive added.

In the second place, in the light of what has already been done, no one need question a readiness on the part of the old parties to welcome all the intelligence, social conscience and planning ability (within its proper limits) which can be brought to them. Here, in the old parties, is the place for these qualities. There is no need of inventing a new party to give them scope.

No one can honestly doubt that when Mr. Drew carries out his program he will have made a great stride forward along some of the very lines which the C.C.F. would follow—and with the great advantage that the advances will be made by a party which includes in its ranks a complete cross-section of the community.

Why then should progress not be made in the Anglo-Saxon way by using tried and tested instruments rather than by forging a new one, and out of the materials which could find useful employment in the old parties?

Conclusions Drawn

To sum up. If the C.C.F. means Socialism, we don't want it, and if it doesn't mean Socialism, we don't need it.

If these principles are as sound as I believe them to be, we should not be thrown into a panic by the recent success of C.C.F. We should not, of course, explain away their success. On the contrary, we should be spurred on by it to further efforts. Much of it was due to good organization. This we should emulate. Much of it was due to the restlessness of Labor. This we should seek to remove and we may well hope that a sincere and thorough examination of the problem as outlined in Mr. Drew's program, followed by wise legislation and sympathetic administration, may do much to lessen the idea that the C.C.F. is Labor's hope.

All in all, if we accept the results of Aug. 4 and 9 in the proper spirit, if, on the one hand, we refuse to lose heart, and if, on the other hand, we are prepared to take up the burdens which face us, in a comradely spirit, as Mr. Churchill says, we may look back on these days as a time when the old parties launched out on a career of new usefulness, surpassing the proud records to which, despite times of failure and weakness, both can look back.

New England Power Income Shows Gain

New England Power Assoc., subsidiary of International Hydro-Electric System which also controls Gatineau Power Co., reports a moderate improvement in both gross and net income for the first half of 1943 compared with the same period in 1942. Gross revenues advanced $2.6 millions, while the balance after preferred dividends of $760,637 compared with $652,385 a year ago.

Income, Surplus Six Months Ended June

	1943	1942
Gross income	$36,802,247	$34,276,751
Less: Oper. expenses	28,965,791	26,380,418
Interest charges	5,749,960	5,918,098
Net income	2,086,486	1,978,234
Less: Pfd. divds.	1,325,849	1,325,849
Balance	760,637	652,385

INVESTMENT SECURITIES

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Retailers Hold Back Decision

Trade is Non-committal on "Sell-under-ceiling" Appeal by WPTB Chm.

Retail trade organizations, having had several weeks to reconsider their initial reactions — mostly unfavorable — to WPTB Chairman Donald Gordon's June appeal for a voluntary selling-below-ceiling policy, still have made no collective response, The Post understands.

A number of leading members of representative associations replied at once individually, but these first respones, The Post understands, were non-committal.

Inasmuch as the appeal was directed in the form of "personal and confidential" letters to a selected list of over 100 leading businessmen, and as understanding in the trade has been that Chairman Gordon contemplated an August conference tour in connection with his appeal, no collective brief is proposed.

One leading trade body is completing a questionnaire survey among its members and soon will analyze the findings for record.

McWatters Gold Shows $6,110 Operating Loss

An operating loss of $6,110 was shown by McWatters Gold for the second quarter of 1943, compared to an operating profit of $11,372 in the same period of 1942.

The reduction in profits per ton from a profit of $1 for the second quarter of 1942 to a loss of 63c in the same period of 1943 was the result of a reduction in per ton value of mine ore of $1.43 and an increase in operating expenses per ton of 20c.

No allowance is made in the above figures for taxes, depreciation or deferred development.

Earnings Statement Quarter Ended June 30

	1943	1942
Gross income	$47,996	$72,953
Less: Oper. expense	54,106	61,580
Oper. profit	*6,110	11,373
Mine ore treated (tons)	9,635	11,384

*Loss.

Canadian Car & Foundry Co. reports that the arrangement entered into with the shareholders has been confirmed by supplementary letters patent. Ordinary shareholders are notified that exchange of certificates may be made on or after Aug. 16, next

Public Utility Earnings

EAST KOOTENAY POWER CO.
June

	1943	1942
Gross income	$65,864	$63,709
Less: Oper. expenses	24,774	24,790
Net earnings	41,090	38,739
Three Months Ended June		
Gross income	$187,859	$189,805
Less: Oper. expenses	69,289	73,524
Net earnings	118,570	116,281

Note:—Operating expenses do not include excess profits taxes.

JAMAICA PUBLIC SERVICE
June

	1943	1942
Oper. revenue	$115,455	$112,239
Less: Oper. expenses	81,125	69,122
	34,330	43,117
Other income (loss)	394	1,424
Gross income	33,936	41,693
Less Reserve accrued	8,333	7,500
Interest	6,890	7,001
Debt discount	738	750
Other charges	926	1,267
Net income	17,048	25,174

CANADA NORTHERN POWER
June

	1943	1942
Gross income	$354,264	$374,439
Less: Oper. expenses	136,422	151,527
Net earnings	217,842	222,912
Six Months Ended June		
Gross income	$2,171,191	$2,301,261
Less: Oper. expenses	858,073	903,981
Net earnings	1,313,118	1,397,280

Note:—Operating expenses do not include income and excess profits taxes.

MEXICAN LIGHT
May

	1943	1942
Gross earnings	$1,018,698	$934,484
Less: Oper. exp. & depr.	702,528	646,126
Net earnings	316,170	288,358
Five Months Ended May		
Gross earnings	$5,069,699	$4,742,776
Net earnings	1,590,843	1,638,326

Company Reports

Paymaster Consolidated

Due to the shortage of labor and especially of experienced miners, bullion production of Paymaster Consolidated Mines was reduced for the year ended June 30, 1943, by $510,968 as compared with the previous year. Operating profits, however, fell by only $99,210, and net profits by $76,962 to yield a net of $44,440. Dividends for the year of 2c. a share were paid.

Reduction in the ore reserves of the company was noted during the year, from 609,028 tons to 576,705 tons, these figures including broken, proved and probable ore, the latter showing the biggest drop.

Operating costs per ton milled fell from $6.64 to $5.94, the decline occurring principally in costs of diamond drilling and development work, while milling expenses increased. Mining costs, too, were reduced.

During the year ended June 30, 1943, there were milled 172,233 tons of ore, or 472 tons a day, as compared with 215,943 or 592 tons a day during the previous year. Average gold content of the ore was lower at 0.203 oz. compared to 0.223 oz. a ton.

Development of levels opened up last by the winze at No. 5 shaft below the 2,075 ft. level has been concentrated on the 2,200, 2,325 and 2,450 ft. levels, and good results obtained, it is stated in the report of the general manager. On the lower levels, between 2,575 ft. and 4,075 ft., there has been no lateral development. Station and pocket cutting on the 3,075 and 3,575 ft. levels were practically completed when discontinued due to labor shortage. Development work on the No. 6 shaft was reported to be favorable.

Income, Surplus—Years ended June 30

	1943	1942
Bullion prod.	$1,352,834	$1,863,802
Add: Other income	52,537	43,185
Gross revenue	1,405,371	1,906,987
Less: Mining & devel.	703,709	1,070,025
Milling expense	214,085	221,484
General expense	140,427	166,708
Ore transport	15,987	18,397
Operating profit	331,163	430,373
Less: Depreciation	231,836	263,627
Inc. tax prov.	54,887	45,344
Net profit	44,440	121,402
Less: Divids. paid	172,582	......
Surplus for year	*128,142	121,402
Less: Prev. deficit	182,369	304,803
Add: Profit in secs.	625	1,032
Part. tax refund.	2,573	......
Deficit forward	307,313	182,369
Earned per share:	0.005	0.014
Paid	0.02	nil
Working capital	1,457,395	1,397,222

*Deficit.

Eagle Star

Increased total assets, fire, accident and marine premiums and new life insurance handled are reported by the Eagle Star Insurance Co. of London, Eng., in its annual statement for the year ended Dec. 31, 1942.

Trading results throughout the year's transactions are also described as highly satisfactory. Total assets of $138.3 millions were $4.2 millions higher.

Total fire, marine, employers' liability accident, automobile and general department premiums at $17.7 millions were almost $700,000 greater than in the previous year. Life and annuity premiums at $8.1 millions were $841,885 higher.

At the annual meeting Sir Edward Mountain, Bart., chairman and managing director said:

"British insurance companies have in the past been the pride of our country and the admiration of the rest of the world and have been a most important asset in the country's trading."

The Eagle Star has been licensed in Canada since 1915. Head office for Canada is at Toronto, under management of J. H. Riddel.

Report Unlisted Stocks Firmer

The unlisted stocks were quiet and firmer during the past week, state Plaxton, McDonnell & Co.

Andian National firmed fractionally, closing 23¾-25. Atlas Steels com. also advanced, closing 25½ bid. Brown Co. pref. showed a similar gain at 35-37. B. C. Pulp & Paper com. firmed ⅛ at 11½-12¾. Canadian Industries "B" sold at 165 for a gain of five points, then closed 162-165. Federal Grain $6.50 pref. gained two points at 84-87; the com. gained one point at $4.25-$4.75. Great Lakes Power $7 pref. firmed two points, closing 106½ bid.

Aluminium Ltd. Net Is Lower

Gross Profit Shows Sharp Advance This Half Year

From Our Own Correspondent

MONTREAL.—Indicated earnings on the common stock of Aluminium Ltd. for the first half of 1943 are placed at $7.05 a share, as against $8.38 for the like period last year, based on preliminary figures issued by the company.

For the first six months of the current year the company had a gross income before depreciation, depletion and taxes of $55.5 millions. This contrasted with $42.7 millions for the same period in 1942.

Set Up Larger Reserves

Depletion and depreciation reserves set up this year, including special depreciation allowance, totalled $33 millions, as against $21.9 millions last year.

Provision for taxes, including excess profits tax, amounted to $17 millions, up from $14.3 millions in 1942.

For the first half of 1943 consolidated net profits, after these charges and following dividends on subsidiary preferred, totalled $5.5 millions. This compares with $6.5 millions for the like period last year.

U.S. Publishers Paper Use Up

July Consumption Above 1942; Add 35,155 Tons to Reserve Stocks

From Our Own Correspondent

MONTREAL. — Indicated consumption of newsprint paper in the United States last month again fell short of expectations; usage actually being 0.8% over July, 1942, and appreciably above the base figures of 1941 set up by the WPB to restrict consumption.

Returns gathered by the Newsprint Association of Canada also show that last month American publishers received from all sources 320,865 tons, against apparent consumption of 285,680 tons, resulting in an addition of 35,185 tons to publishers' stocks which now stand at 535,961. This is the first time since January that the publishers failed to draw upon stocks in order to meet consumption.

Usage Off Only .5%

For the first 7 months of the current year apparent consumption amounted to 2,159,142 tons, as against 2,243,647 tons for the like period in 1942, a drop of only .5%.

The estimated saving of 10% in consumption this year is still a long way off and a further tightening of usage by the WPB is to be expected if there is to be a balance between supply and demand.

Shipments from Canada during the first seven months of this year represented 73% of the total U. S. supply, compared with 71% in the same period a year ago. Shipments from Newfoundland represented 4% of the total, as against 5% a year ago, while U. S. mills provided 23% of the domestic supply, as against 24% in 1942.

More Advertising

While the newspaper advertising linage figures for July in 52 United States cities are not yet available, a striking feature of the current report is the further sharp increase in magazine advertising. This is listed at 2,553,000 lines for July compared with 1,687,000 in July, 1942, a jump of 51.3% and brings the cumulative linage for the first seven months to 17,591,000 compared with 13,868,000 lines for the like period last year.

For the first six months of this year advertising linage in newspapers was up 11.3%.

Market Opinions

Market students appear now to be looking for extended period of quiet markets, possibly some reaction.

Barron's (The Trader): Clearly the ebbing of activity reflects a low level of buying power, the deterioration of which had, prior to the setback at the end of July, been demonstrated by the laborious advance of the preceding three months. Until buying power becomes more insistent, manifest by outstanding group strength and by a normal volume of transactions, it is a reasonable assumption that the driving force of the rise has been arrested. The sequence should logically be a period of quietitude, which would permit of the refilling of the reservoir of buying power, or a test of the intensity of selling.

* * *

Barron's (Dow Theorist): "If both the Dow-Jones averages now decline below their Aug. 2 lows (134.00 and 33.73) the interpretation that a secondary downward trend under the Dow theory is under way will be pretty well confirmed. The only point which might make some students hesitate is that the averages in their rally have not retraced one third of their decline from the July highs. If the averages should rise, respectively, above 138 and 35.25, and then fall below the recent bottoms, there would be little question left about the nature of the movement.

* * *

Financial World, N.Y.: Because of technical considerations, as well as other reasons, there seems little prospect of significant improvement in market prices during the next several weeks. In fact, the market may well "test" its recent lows, or perhaps even decline somewhat further before completion of the current reactionary phase. While it seems therefore that there is no hurry in the matter of new purchases, the sale of investment holdings of well-selected stocks is not recommended.

Sigma Mines gross production for July, 1943, amounts to $192,056 from 26,126 tons milled. This compares with production of $184,868 for last month and $253,922 for July, 1942.

Federal Grain Ltd. has declared a dividend of $2 a share on its preferred stock on account of arrears, payable Sept. 1 to shareholders of record Aug. 20.

Cotton Firm Alters Capital

Hamilton Cotton Retires Bonds and Preferred, Sells New Common

In a move designed to reduce fixed interest charges and to replace its preferred stock issue with further common, Hamilton Cotton Co. has sold privately an $850,000 3% bond issue, which replaces an $850,000 4¼% bond issue called for redemption at 101½ on Nov. 1. It has also called for redemption its 17,635 shares of preferred stock at $35 a share plus dividends, on Oct. 11, and is selling up to 40,000 new common shares at $15 a share (less $1 a share commission) through A. E. Ames & Co., Toronto.

Other details of changes in capital setup are subdivision of the company's common shares on the basis of two new no par shares for each old $30 par share and the recent retirement on Aug. 1, 1943, of $65,000 of 3% serial bonds.

The changes may be summarized as follows:

Changes in Capital Setup

	As at Dec. 26 1942	To be outstanding
Bonds:		
1st mtge. & coll. tr.; author. $2,000,000: 3% ser., due Aug. 1, 1943	$65,000	....
4¼% s. f., due Aug. 1, 1950	$850,000	....
3% 1st mtge. & coll. tr. ser. due 1944-53; author. $850,000	......	$850,000
Capital Stock:		
$2 cum. conv. s. f. pref. ($30 par): Auth. $600,000 (20,000 sh.)	*$529,050 (17,635 sh.)	....
Com. ($30 par); author. $600,000 (20,000 sh.)	$600,000 (20,000 sh.)	....
Com., n.p.v.; author., (80,000 sh.)	......	80,000 sh.

*Outstanding at June 12, 1943—$526,200 (17,540 shares).

To Pay 22½c. Dividend

It is stated in the A. E. Ames & Co. prospectus, offering the proposed new common shares at $15 a share, that on redemption of the company's preference shares and the issue of the additional common shares, directors intend to declare a quarterly dividend of 22½c. a common share on the 80,000 shares to be outstanding, payable Dec. 1, 1943; this is at the rate of 90c. a share yearly.

Audited earnings of the 24-week period ended June 12, 1943, shows consolidated net profit, after depreciation, taxes and interest on bonds to be presently outstanding, of $58,300, or the equivalent of 73c. for each common share to be outstanding.

President A. V. Young is stated to have estimated that net earnings on a similar basis for the year ended Dec. 25, 1943, will be in excess of $1.50 a share of common to be outstanding. A slight decline from the 1942 level is attributed to the incidence of heavier taxation.

Bonds Net $841,075

The new $850,000 bond issue comprises a first mortgage collateral trust serial issue, maturing $85,000 on Nov. 1, 1944 to 1953 inclusive. They are being sold to A. E. Ames & Co. at $98.95 and interest as from Nov. 1, 1943. Proceeds to the company of the bond issue will be $841,075. It is understood the new bonds have been sold privately.

Pro-forma balance sheet as at June 12, 1943, after giving effect to the proposed new financing, shows total current assets of $2.5 millions against current liabilities of $1.2 million, leaving working capital of $1.3 million.

Quebec to Investigate Lake St. John Labor

Labor dissension in the paper mills of the Lake St. John district of Quebec will be investigated by a public enquiry commission set up by the provincial government.

The commission recently investigated labor difficulties at the Jonquière, Kenogami and River Bend mills of Price Bros. & Co. and at the Dolbeau mill of Lake St. John Power & Paper Co.

During its public sessions in Quebec City the commission will study documents produced during the enquiries and pleas of the councils.

Publishers Get Extra Newsprint

From Our Own Correspondent

MONTREAL.—Grants of additional tonnage of newsprint paper totalling 124,314 tons were made to American publishers by the War Production Board during the first half of 1943. In the first quarter 66,352 tons of additional paper were granted, and in the second quarter 57,962 tons.

Amount of additional paper which publishers were permitted to use, over and above the quota, was equivalent to better than a half month's supply from Canadian mills and equal to slightly over .3% of consumption in the base year 1941.

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MONTREAL CURB MARKET CANADIAN COMMODITY EXCHANGE INC.
347 BAY ST., TORONTO PHONE AD. 9041
SUCCESSOR IN TORONTO TO SEAGRAM, HARRIS & BRICKER

Celanese of America Profits Lower To Date

Celanese Corp. of America reports net profits for the first half of 1943 of $3.1 millions, after provision for federal taxes. This compares with $3.4 millions for the same period last year and was equivalent to $1.37 a share in the common stock outstanding.

Net income after all charges and taxes for the 12 months ended June 30 amounted to $6.8 millions as against $7.3 millions for the previous 12 months.

Dr. Dreyfus, president of the company, reported operations during the second quarter were interrupted by a strike at Newark plant and explosion at the Cumberland plant, with resultant loss of several weeks production. Physical properties destroyed by explosions were covered by insurance and the plant has now been repaired and back in operation.

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Dated March 1, 1943

AMOUNT	MATURITY	PRICE	YIELD
$44,000	1949	100.	3.50%
85,000	1950	99.70	3.55%
50,000	1951	99.35	3.60%

Out of surplus, this Municipality has called for redemption at 100, as of Oct. 1st next, its 4½% Debentures outstanding in the years 1947-1949 inclusive, totalling $445,000.

Burns Bros. & Denton
LIMITED
Government, Municipal and Corporation Bonds
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CHARLES BURNS W. H. DENTON

ontractors Absolved f Profiteering Charges

Accountants Study Downward Revision of War Contracts and Urge Adoption of Financial Conventions Intelligible to Public

egotiation proceedings on war acts resulted in recovery by U. S. Government of some two on dollars on contracts total- 18½ billions, said F. E. Wood, of the Cost Accounting Divi- of the Treasury at Ottawa, king at the annual meeting of Dominion Association of Char- Accountants. Contractors e absolved by the speaker on grounds that large volume and resulting savings had not been een in many cases at the in- ion of the contracts.

Mr. Wood explained that in a few s the contract price was figured costs of manufacturing a given pon in federal arsenals, and the panies had found ways of mak- big savings by simplifying igns and improving manufactur- technique.

Experience in Canada has paralleled that of the United States, observed the speaker.

Urges High Standards

Kris A. Mapp, F.C.A., in his presidential address stressed the particular responsibilities of the profession as encouragement of a high standard in the training of students, and the advancement of methods in accounting and auditing. Of the latter he said:

"The increasing size of public companies, which tend to become owned by a large number of small shareholders and which are a major factor in the nation's economy, makes it imperative that there should be a better understanding of the financial conditions and financial results of such companies."

"Lack of knowledge concerning the reasons for the historical conventions in accountancy and misunderstandings regarding the scope of auditing have confused the public. Such a situation leads to suspicion and distrust and is then often followed, as we have seen in the United States, by adoption of a still greater number of rules and regulations.

"I believe that management of industry would welcome the disappearance of many of the conventions and the adoption of a set of financial statements that would be more intelligible to the public at large."

Thanks Canada

Appreciation of United States to Canada for having developed and adopted some principles of income taxation which they had borrowed in their recent enactments was voiced by George S. Olive of Indianapolis, president of the American Institute of Accountants.

He continued:

"The men on the world's fighting fronts are doing their jobs, and have the right to expect the same kind of unselfish service from those of us at home. We must see to it that these war products are made at costs which do not leave any justification for returning service men to feel that we have profiteered. We must see to it also that war contracts are renegotiated downward, and that income taxes are shared by all civilians at the highest possible rates in order that as much as possible of war's costs be paid currently and not left as an added burden for the returning service men."

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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BRANCHES FROM COAST TO COAST

The Shareholder

With peacetime prospects being weighed more and more carefully as chances for an early peace become brighter, statisticians have been segregating a number of fields in which transition to ordinary peacetime operation can be accomplished with a minimum of difficulty.

Among industries which are expected to have relatively minor postwar reconversion problems are textiles, grocery chains, tin container makers, farm equipment manufacturers, tire makers, cement companies and paper makers. In some instances, of course, facilities have been partially turned over to war production, but, generally speaking, the industries listed—and the firms in those industries—have remained in their own fields and have not participated extensively in direct war production.

Some of these industries which can be readily reconverted, such as the farm equipment industry, appear to have before them a large pent-up demand which may mean a high level of activity in the immediate postwar period no matter the character of business immediately following the war.

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If inflation—or threatened inflation—hasn't already been an important factor in pushing stock prices higher, Donald Gordon's warning that "pressure on the price ceiling is rapidly becoming insupportable" suggests that inflation—or inflation fears—may be an important market factor in the months ahead.

People in close touch with the situation say that Donald Gordon was in deadly earnest when he voiced his latest warning. Just two of his statements to the Canadian Weekly Newspapers Association indicated how the situation is sizing up:

"The pressures are real pressures and if the dam breaks, then God help us, because the flood waters will spread far and wide and bring endless suffering, misery and bitterness. The very fact that these flood waters have been dammed so far successfully will make the break-through all the more destructive... Inflation is no imaginary condition. We have all the circumstances and pressures which create inflation right here now. We must fight tooth and nail to prevent these pressures being translated into a price inflation. We are in the greatest possible danger of failing to do so."

• • •

While no one can fully escape the effects of an inflation, it has been argued, undoubtedly many investors will purchase common stocks as perhaps the most practical method of seeking to escape the effects of inflation.

With large bank deposits available for purchase of stocks, a stock market boom beyond anything experienced in recent months could easily become a reality. When stock is purchased, there is merely a transfer of cash from one party to another, and the same total amount of cash exists for pushing stock prices still higher if the will to buy stocks persists. Consequently, in an inflation, it is impossible to say just where stock prices might be expected to level out. Ordinarily, a 100% excess profits tax on earnings would mean the holding down of stock prices on the basis of earnings appraisal. But, in an inflation, anything tangible may be sought after and the purchaser of shares can look forward to the time when the excess profits tax may be lifted.

• • •

Another uncertainty which the investor must size up these days is the possible effect of new legislation which may be passed in Ontario. George Drew, leader of the Progressive Conservative Party, is pledged to a 22-point program, but how far it will prove possible to implement this program remains to be seen. Mr. Coldwell has suggested that the CCF will support 9 points in the program although the CCF itself plans to remain in official opposition.

B. C. Packers' Larger Sales Absorbed by High Wages

Although sales by British Columbia Packers since 1939 have been larger than ever before in the history of the company, with the single exception of the year of its incorporation, comparative figures for the years ended April 30, 1940 to 1943, show a steadily increasing wage bill while profits have not indicated any similar tendency to rise and, as a percentage of sales, have fallen.

In his annual report to the shareholders H. R. MacMillan, president, stated that to date in 1943 the various runs of salmon have been extremely disappointing. As at July 31 the total pack was only 70% of last year and 82% of the comparative cycle year at the same date. The catch of pilchard is normal, and the herring season does not get under way until October.

Of the 1943 catch of salmon 200,000 cases will be released for Canadian consumption. Fish oil and meal, now in very great demand, is being sold in Canada at prices fixed by the Dominion Government. These prices, the president states, are lower than that obtained in the U. S., where 90% of the production of these products formerly was absorbed. Prices to the fisherman were based on U. S. prices.

In spite of removal of the Japanese from the fishing industry all labor difficulties have been successfully solved, and the number of fishing licenses issued has increased from 13,596 in 1941 to 15,379 in 1942.

Distribution of Proceeds—For Years Ended April 30

	1940 ($000)	%	1941 ($000)	%	1942 ($000)	%	1943 ($000)	%
Net sales	6,191	100	7,853	100	12,212	100	11,936	100
To fishermen & empl.	2,962	47.8	3,969	50.5	6,565	53.8	7,277	60.9
For suppl. & serv.	2,205	35.6	3,235	41.2	4,335	35.4	3,354	28.1
To depreciation	264	4.3	287	3.7	290	2.4	332	2.8
For Dom. & Prov. taxes	370	6.0	154	2.0	599	4.9	665	5.6
Net profit	391	6.3	207	2.6	424	3.5	308	2.6

Reduce Rates On War Risks

Better Allied Position Responsible for 20% Rate Reduction

Following the improved position of the allied nations in recent months, war risk insurance rates in Canada have been reduced 20%, Finance Minister J. L. Ilsley announced this week. The reduction applies to all policies new or renewal, issued on or after Aug. 17. From Sept. 15 all policies issued under the scheme will be coming up for renewal.

Mr. Ilsley, making the announcement, stated there is still some chance of war damage occurring in Canada, but in view of the conditions many policyholders might expect a reduction in rates. The announcement pointed out that, under the Act, war damage includes explosion of munitions for war purposes and that this aspect of the risk is not lessened.

Profit-Sharing

The profit-sharing scheme is being continued. Under this, if at the end of the war there is any surplus after paying all losses and expenses, and refunding the $5 millions advanced by the government at the beginning, policyholders will be entitled pro rata to 50% of the balance, the other 50% going to the general government fund.

But before any division of surplus, refunds will be made of the portions of net premiums (gross less any income tax rebate), corresponding to the unexpired terms of policies before any divisions of surplus is made. Any return of surplus to the policyholders will not be assessable under income or excess profits tax.

The rate for goods in transit will be reduced from 3c. to 2½c. per $100 and the rate on grain by 20%.

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Montreal's Net Debt $207.03 Per Capita

Montreal's net debt as of April 30, 1943, revealed in the annual report of the Director of Finance, was $207.03 per capita and equal to 22.7316% of the assessed value of taxable real estate which is $912.9 millions.

Receipts of the city for the past year totalled $54 millions and expenditures $49.2 millions leaving a surplus for the fiscal year of $4.9 millions.

No payment was made into the sinking fund last fiscal year, nor will any be made during the current fiscal year, the city being relieved by the legislature of this obligation for an additional, and fourth, successive year. The deficit in the fund now stands at $11,2 millions as of April 30 last and will grow an additional $4 millions during this year.

Assure Full Employment Seen First Postwar Job

Chamber of Commerce Poll Recommends Restoration Business Freedom and Finding of Export Markets for Farm Products

How Canadian business can contribute to maintaining maximum postwar employment is the recurring theme in the survey of a poll conducted by the Canadian Chamber of Commerce. Opinions were sought from Boards of Trade, Chambers of Commerce, Reconstruction Committees, Trade Associations and private firms throughout the country. After a careful study of the poll returns, the Chamber set forth its conclusions as follows:

1. If Canada in the postwar period is to make its maximum contribution to postwar employment, she must in conjunction with the allies recreate a world market for the exchange of Canadian goods for those of other countries.

2. Government and business must co-operate practically toward a restoration of freedom for business if the latter is to promote postwar prosperity and employment.

3. Government in consultation with business should prepare plans for the short-term stabilization of employment used in the first phase of peace, expenditures on public works, conservation and town planning schemes and on measures to stimulate the rehousing of the people. Government should also lay plans for the long-term stabilization of employment through maintenance, at a constant rate, of private investment in capital equipment and through the operation of public finance and monetary policies conceived to this end.

Farm Produce Outlets

4. Measures should be planned for the betterment of Canadian agriculture involving outlets for agricultural products in export markets and through their new and wider use in industry, in addition to the more effective use of the land and a rise in the standard of living of the farmer himself.

5. An over-all examination of the Canadian tariff and of Canada's taxation structure should be undertaken to permit the finding and removing of anomalies which would otherwise hinder Canadian business in reaching its objective of maximum postwar employment.

6. Long-term government plans should be designed to raise the human standards of Canadian citizens including the provision of security against the still unavoidable mischances of life. The development of better relations between management and workers and the adoption of a national labor code to govern the relations between management and organized labor will make for a happy and contented body of employees in this Dominion.

According to P. A. McFarlane, chairman of the executive of the Canadian Chamber of Commerce, the poll revealed four interesting findings:

Desire on the part of business for the appropriate reinstatement of ex-servicemen and women; uncertainty as to how availability of essential materials, taxation and controls may affect engagement of new employees a year after the war; determination to consider engagement of the physically handicapped; and anticipation of no long term serious problem in changing over from war to peacetime plant in factories other than those engaged solely in making munitions.

In the latter connection, it is pointed out that in some cases peacetime machinery is in storage and can be rapidly assembled in the production line always provided raw materials are available.

Hope that European countries, in need of thousands of buildings, will use Canadian building materials was also expressed. Moreover, agricultural implement makers see good domestic markets, but want also favorable trade agreements for the export market, as do the coal producers. Steel industries do not profess to anticipate the future, and mining companies say they can get right back to work.

Retailers Need Loans for Taxes

Plight of the small Canadian businessman was highlighted in a recent editorial in Hardware and Metal in which it was claimed that loan companies are reporting an increased volume of business with retail merchants. Investigations, it was stated, reveal that such businesses are short of money to pay the taxes now in effect or find their working capital impaired.

In the last year or two retail merchants have cut into their margin because of freezing of prices and the increase in many of their uncontrollable costs.

Credit Sound

That loan companies are thus doing more business with retailers is claimed to be significant in view of the fact that reports from wholesalers and manufacturers that the credit position of the retailers is in very good shape. It appears, therefore, says Hardware and Metal, that dealers are taking their cash discounts from their sources of supply in order to enable them to get as low a cost as possible because of frozen resale prices, but when their financial position is investigated they no doubt find that they are short of sufficient money to pay their taxes.

...to those who live in the City

The farm front needs your help:

Right in your own district there are farms that need your help this summer and fall.

The crops are coming in — crops needed for the Armed Forces, for the Empire, for our Allies and for our people at home. The farmers cannot get them in alone. They're relying on you to help them do it.

Make arrangements now to spend at least part of this harvest season in the healthful, congenial surroundings of a farm. The change will be good for you. You will be paid regular wages for your time. If you are not in essential work, try to spend as much time as possible this harvest season on Canada's farms.

Canada's farms need *YOU!*

WHAT TO DO:

Consult any special local committee or office established to deal with farm labour placements in your town or city

or—

Write to your Provincial Director of Farm Labour at the Capital of your Province

or—

Get in touch with your nearest Employment or Selective Service Office.

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The Editorial Page . .

Should Old Parties Merge?

In his outstanding article on the political situation in The Financial Post last week, Bruce Hutchison declared that the CCF is now the real opposition party in Canada, and intimated that the two older groups should amalgamate. While most readers will agree with Mr. Hutchison's shrewd analysis of the present confused political situation, it is by no means certain that the rank and file of either the Liberal or Progressive Conservative parties will agree with his conclusion, and neither is it certain that such a radical step is necessary or desirable at this stage. This contention is abundantly confirmed in the answers to the question of party amalgamation, also in last week's Post.

Amalgamation of the two senior parties would automatically throw the permanent and vital position of official opposition to the CCF. To this, on its own record, the CCF is not entitled. There is no indication that it has or can become more than a class or doctrinaire party. There is no indication that it has any real footing in great areas of eastern Canada, and especially of rural Canada. There is no solid evidence yet that the CCF is more than a political flash in the pan, comparable to the rise of the agrarian and so-called progressive movements at various times in the past. As Mr. Hutchison points out, "No one seems to know just what the CCF would do if it took office in the nation, and probably the CCF does not know itself."

But all this does not mean that the two senior parties, for the duration of the war at least, should not work together. At this time, the historic and natural differences which separated the Liberals and Conservatives are not a factor. In the interests of a strong and responsible government, there is no reason why the two should not form coalition governments when such a step is indicated as practical and desirable. This plan is working well in British Columbia. It would have been a solution in Ontario. Only in this way can the will of the great majority of the people be represented in the government. Otherwise, minority rule is certain.

In Ontario, Col. Drew and Mr. Nixon have intimated that there will be no such coalition. Undoubtedly, neither the Liberals nor the CCF will be keen to accept responsibility for another expensive election at this time and, if so, Col. Drew may be able to carry on. If, however, Col. Drew finds that this is not possible, now, or in the reasonably near future, then, rather than another disturbing test at the polls, he should explore the possibility of some working arrangement with the party nearest his own in political outlook.

Opportunity of Enterprise

To the Four Freedoms a fifth was added by the U. S. Junior Chamber of Commerce at its Chicago convention, as follows:

"We believe that in addition to the Four Freedoms we have a Fifth Freedom—the Opportunity of Enterprise—by which America has grown great and through which we can ensure her future greatness.

"We believe this Freedom requires the right to an unfettered start in the race of life, with no artificial handicaps; the right to work as hard as we like and enjoy the fruits of that work as our own; the right to go as far as we can, developing according to our capacities as individual American men and women.

"We recognize that the Fifth Freedom is limited by the similar right of others and that there is an obligation to extend these opportunities to all people who are willing and able to work."

That same statement of principles with a few obvious changes in name might well be adopted by young Canadians also. Canada, too, owes its development and, its real future depends on, the "Opportunity of Enterprise."

Canada and the Next U. S. President

The biggest single question about the postwar world is: Will the United States continue to play her full role in world affairs, or will she again retreat into isolationism?

The question is becoming increasingly important. We are on the march to victory. Plans to that end are now being drawn up at Quebec. The internal political situation in the United States shows great Republican strength in Congress, increasing discontent with the Democrats in the traditionally "solid" South, in the middle and far west. And next year comes the Presidential election—the election which will decide on the man almost certain to direct United States affairs through the reconstruction era.

Canadians, all the rest of the world and, we believe, the United States itself had cause to be alarmed over recent declarations in responsible quarters that Senator Robert A. Taft of Ohio was gaining ground as a Republican candidate.

Taft recently ran up his political colors and they showed him to be as isolationist as Robinson Crusoe.

A leading article in Collier's magazine on Presidential possibilities for 1944 doesn't even mention Taft as possible for the Republican nomination. Collier's says Republican strategy will be to play up Bricker and Willkie. "In the hour of decision, when these two gentlemen have obliged by cutting each other's throats, Governor Dewey will be drafted by a unanimous call from the party—a call that will not admit of refusal."

Every Canadian understands the inevitable intimate concern this country has with political events in the United States. Technically, of course, what happens there is none of our business.

But just after his defeat in 1940 Wendell Willkie told the editor of The Post that Canadian preference for Roosevelt hurt his cause considerably. He said something like this: "I could feel the influence of Canadian opposition to me every time I ever came anywhere near the Canadian border."

They Want Inflation

CCF and Social Credit members at Ottawa last session pushed inflationary policies despite the fact that inflation hurts most the lower income groups in society which these parties profess to be particularly serving.

Their purpose, of course, is to use any means of fomenting economic and social disruption. This, they undoubtedly figure, would improve their chances for working the revolution to which they are devoted.

During various discussions in Parliament CCF and Social Credit members repeatedly held up the example of higher American farm prices and industrial wages as goals to be sought here. American wages and farm prices are higher, in some cases much higher, than those prevailing in Canada. But this is only half the story. The other half, not stressed by the CCF and Social Credit agitators, is American costs. These too, are higher, and very much higher in most cases. Food, clothing, rents, land values, have all risen steeply. As Donald Gordon did well to emphasize in a recent series of speeches to prairie farmers, "Canadian producers must realize that they cannot expect to get American prices for their products unless Canada is prepared to allow all prices to rise up to the higher American levels, in which case it would be necessary for everybody, including farmers, to pay the higher American prices for everything they buy."

Canada's greatest inflation danger comes from this looking over the border at U.S. prices for farm products and at U.S. wage rates.

Our real peril lies in psychology, not economics. If Canadian farm groups go on demanding higher prices because American farm prices continue to rise; if Canadian labor goes on demanding wage increases because American labor rates continue to climb—then disaster will almost inevitably face the Canadian people. The trouble and privation we have undergone to abide by rationing and the price ceiling; the self-denial we have exercised to buy victory bonds and war savings certificates—all will have been effort almost entirely wasted.

The dollar size of returns for the worker and for the farmer means nothing. It is only what those dollars will buy that has any significance.

The Vital Weeklies

Well-deserved tribute to the weekly press was made by Walter P. Zeller at the annual meeting of the Canadian Weekly Newspapers Association in Toronto last week. Said the president of Zellers Limited:

"Few bear heavier responsibilities than you gentlemen. Your relation to the people you serve is most intimate. You survive because you are trusted. Your influence in the molding of public opinion has long been appraised. I firmly believe that upon you will rest in large measure the final attitude of a host of Canadians who ponder the postwar Canada."

This is strong praise indeed, but it is deserved. The local newspaper with its faithful chronicling of the news and aspirations of its community maintains intimate contact with its readers.

To such publications, the building of a new bridge on Main Street, or a new church around the corner, is not some mere construction item to be dismissed in a single line of type, but a new community development affecting the lives and fortunes of the citizens served. Only the local editor, living in that community and depending on it for his livelihood, can really appraise such a development.

In the last 50 years, grievous casualties have been suffered by these Canadian weekly newspapers. Probably a third of them disappeared or merged with survivors. This is the inevitable price of increasing costs, but out of this period of test is developing a local weekly publication as modern and well printed as the biggest daily, and an institution firmly imbedded in the life of the community.

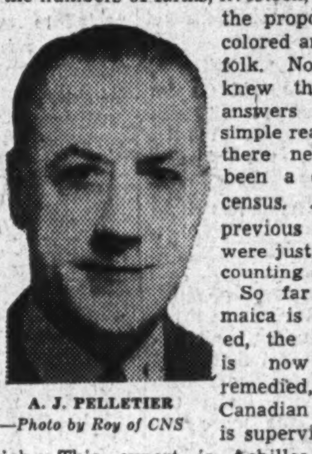
Cartoon by Grass

"WHO SAID THIS WAS GOING TO BE A POOR TOURIST YEAR?"

Post-Scripts . . . .

Modern Nose Counter

For years, Jamaica and many other British Colonies have been merely guessing about their population, the numbers of farms, livestock, housing, the proportion of colored and white folk. No person knew the exact answers for the simple reason that there never has been a complete census. At best, previous surveys were just a rough counting of noses.



A. J. PELLETIER
—Photo by Roy of CNS

So far as Jamaica is concerned, the situation is now being remedied, and a Canadian expert is supervising the job. This expert is Achilles Joseph Pelletier, whose ancestors settled in Quebec exactly 307 years ago.

If the reader is inclined to raise an eyebrow at this juncture, he should drop in at Mr. Pelletier's office in the Dominion Bureau of Statistics ramshackle building downstream about a mile from the Parliament Buildings at Ottawa. There he will be shown a photostatic copy of a page from Canada's first census taken in 1656, in which are listed the original Pelletier family in Canada with the amount of land they had cleared, and the number of livestock they had accumulated and other details. Incidentally, in this and similar records, originals of which are still in France, one will learn that the Pelletiers hailed from the Province of Beauce, northwest of Calais, though the bulk of the other French-Canadian migrants came from Picardy and Normandy.

For years A. J. Pelletier had been delving into statistics about people. After a little experience in bookkeeping, he joined the old Census and Statistics Office in 1904, saw this renamed and reorganized as the famous Dominion Bureau of Statistics in 1918, and is still with that branch. Pelletier was the key figure in the National Registration of 1918, and again in the one carried out early in this war.

When Jamaicans realized that before they could get their promised constitution and universal suffrage, they must first take a census, their government approached Ottawa, and Pelletier was loaned to the island colony to take full charge of the new count. He was there thirteen months, came back a little while ago, and will return again in October to complete the job.

In the old days, there are reports of census-takers running into fierce opposition, but not so in Jamaica. Everyone from the lowliest black to the highest white, gave the enumerators a royal reception, and went to the greatest pains to get all vital statistics information straight. In a country where illiteracy is still very common, and marriages sometimes casual, this was not always an easy job. But with the most loyal co-operation from all government officials, the church, the press, and the public generally, everything went amazingly well.

Schoolteachers were used as enumerators, and while they were busy, the students got an extra three weeks' holiday, a development which did not harm Mr. Pelletier's popularity with the younger element. Figures are not complete, but Jamaica's count is expected to show a total population of one and a quarter million, of which 1½ to 2% are white. Complete census, however, will show a great deal more than that and, for the first time, the island will know details of its thousands of tiny farms, the acreage in bananas, sugar cane, etc., the number of its cows and chickens.

Aside from statistics, Mr. Pelletier's main interests are gardening, fishing and history. For such recreation, he has an ideal spot at his summer home on Meach Lake up the Gatineau.

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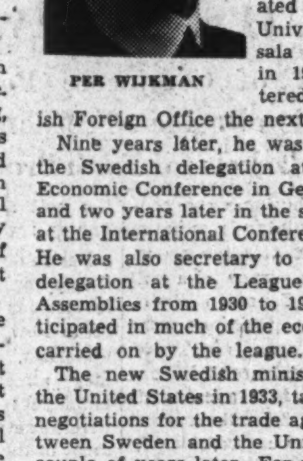
Closer Link With Sweden

A tall, lanky careerist is Sweden's first minister to Canada. The other day Per Wijkman presented his credentials to the Governor-General at Ottawa, but he is no stranger either in that city or in Canada generally. For three years previous to his recent appointment, Mr. Wijkman served as Consul-General at Montreal.



PER WIJKMAN

Born five years before the turn of the century, Mr. Wijkman graduated from the University of Upsala in Sweden, in 1917, and entered the Swedish Foreign Office the next year.

Nine years later, he was secretary to the Swedish delegation at the World Economic Conference in Geneva in 1927, and two years later in the same position at the International Conference in Paris. He was also secretary to the Swedish delegation at the League of Nations Assemblies from 1930 to 1933, and participated in much of the economic work carried on by the league.

The new Swedish minister came to the United States in 1933, taking part in negotiations for the trade agreement between Sweden and the United States a couple of years later. For various periods, he was acting Charge d'Affaires in Washington and Mexico, Councillor of the Swedish Legation in Helsingfors, Finland, from 1937 to 1940, then attached to the Home Office in Sweden three years ago.

While Mr. Wijkman's main interest has been in the economic field, the fact that he has written articles on such diverse subjects as modern American literature, and international law, for his home papers, indicates that he does not dwell entirely in the field of statistics.

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From the Bottom

One of the best ways to start a railway career in this country is to begin work as an office boy. Maynard Albert Metcalf, newly appointed executive assistant to R. C. Vaughan, president of the Canadian National Railways, follows in the line of this tradition. Toronto-born, he started at the age of 15 as an office boy in the operating department of the Canadian Northern Railway at Toronto. This was in 1910.

Every office boy employed by the railways is encouraged to learn to write shorthand and operate a typewriter. In fact, it is expected of him. It is not surprising then that in 1917 Maynard Metcalf was appointed secretary to the general manager of that road.

Following the consolidation of the Canadian Northern and other lines into the National System in 1922, he was appointed secretary to the operating vice-president with headquarters at Montreal. He was secretary to A. J. Hungerford, then president of the system, from 1934 to 1936 and was promoted assistant to the president toward the end of 1936. This position he held until his recent appointment.

Being executive assistant to the president of the National System would be considered a full-time job for most people, but Maynard Metcalf is the type that can always find time to take on other tasks.

Notable among his "outside" activities is that of being Mayor of the Town of Mount Royal, one of the rapidly growing residential suburbs in greater Montreal and which, incidentally, was established by Mackenzie and Mann when the Canadian Northern came into Montreal. At that time Maynard Metcalf was a junior at the Toronto head o

of the road.

The job of mayor of a small tow no sinecure. As chief magistrate he at the beck and call of every citi They phone him early in the mor and late at night. Little things like t don't both Maynard Metcalf. He ra likes it. And the people of Mount Ro like him, for they have re-elected three times as mayor of the town.

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The Mail-box . .

Stock Selling

I have been very interested in r ing what you have had to say conce ing stock selling. No one, I feel s who has the real interests of the pu at heart wants to see "bad business this country. But I sincerely hope the desire for good business will no allowed to obscure the need for e access to the capital market for th individuals who need funds for legitimate financing of industry.

The fact must not be lost sight of many people have become oppose stock selling of any kind because t themselves have made unwise com ments by relying on their own ju ment rather than securing the advice specialists. It is the right of the in vidual to buy or sell whatever he w and how he wants whether it is ca high pressure salesmanship or not. P sonally, it amuses me when I hear p ple talking about high pressure sa manship or being disturbed by teleph ing or by being called upon.

I think the rights of the public regards mining stock selling would sufficiently safeguarded if a quali engineer has made a report on a p erty and filed it with the proper a orities — provided capital already sp shows reasonable values and that furt expenditure is warranted by res already secured.

It should be required by law every prospective purchaser should supplied with a Government-stamp copy of this report (which should h the date clearly marked). The prosp ive share purchaser would not feel h dealing with an entire stranger an Government-stamped "prospectu would tend to inspire confidence of buying prospect.

If this is done, salesmen should granted the right to phone, telegra use the mail, radio, or to call persona in any office, business place, on street, or at the home if desired. Let people have as much liberty as possi but let them be punished when they break our laws.

I believe whatever Government is stored to power in Ontario should se it that we in Ontario are given back rights to deal with our property as desire. I have never paid a fine for h ing anyone and have no axe to grind have, however, been connected with financing of a number of mining en prises, and feel that only with the f rights restored to the individual can resources be developed to their full extent.

Windsor. FAIR MINDED

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Sayings of the Wee

"Finland now ought to hurry up a get out of the war in order to be the fi prodigal son to return to the paren fold of democracy, because only the fi prodigal son is assured a real welcom —*A Finnish spokesman.*

• • •

"We want a land, where, without l of freedom or the restriction of opp tunity, the weak and the unfortun will not fail to secure the arm of prote tion."—*Walter P. Zeller addressing t Convention of Canadian Weekly New papers Association.*

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Australia's Reconstruction Plans

Last December the Australian government created a new ministry to deal specifically with postwar reconstruction. It is designed as a planning and co-ordinating body, to smooth the great changeover from war to peace. Even to a greater extent than with Canada, major problem of our sister Dominion is presented by the huge industrial expansion during the war. Potential capacity in this line is recognized far in excess of prospective available markets both domestic and export. Progress and plans of the new ministry are summarized below:

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To re-employ men demobilized from the fighting services, a reconstruction training scheme is proposed. This will be developed from the present wartime training scheme, the difference being that training will be less for engineering trades, as at present, than for trades arrested during the war, such as building.

Planners of the training scheme are expected to include representatives of the services, the Department of Labor, and the Universities Commission. Trades unions will be consulted on questions of fitting trainees into industry, and estimating the demand for various types of labor for the various trades after the war.

The Ministry, through its committees for demobilization, training and placement will act with other departments to ensure that demobilization of the armed forces and war industry proceed in such order and at such a rate that transition from war to peace basis will be as smooth as possible in industry and agriculture. Projected legislation to establish unemployment insurance will be geared to the anticipated ratio of re-employment.

Several commissions and other bodies are associated with the Ministry of Postwar Reconstruction to help investigations, and to plan for reabsorption.

Two formal commissions—the Commonwealth Housing Commission and the Rural Reconstruction Commission — are already operating. Building and slum clearance will be the main problem of the former. Because of wartime building prohibitions, it is estimated that Australia will need 100,000 dwellings to make up the existing shortage, and to replace substandard housing.

The Rural Commission is charged with planning for greater rural stability to eliminate pre-war cycles of price fluctuations. It must study probable and possible postwar markets, both domestic and foreign, and watch the progress of decentralization. Key country towns will be selected for sustained industrial and social development to ensure better distribution of population, to reduce marketing problems, and to provide city amenities for country people, including higher educational and hospital standards. A basis for postwar decentralization is found in Australia's great wartime industrial development.

Examination of factors involved in postwar reconversion of secondary industry has been entrusted to the Tariff Board, a statutory body which in pre-war days kept tariff adjustments under constant review. Public works are being planned by the federal and state governments for development of resources. These will be co-ordinated with the general reconstruction program, and will be expanded if employment slackens. Prominent in the schedule of public works will be water conservation and electric development.

Other projects under examination include:

Development of new roads; irrigation projects; afforestation and soil conservation; development of power and lighting services; construction of public buildings; unification of the entire 28,000 miles of Australian railroad systems (these are under state ownership and management), and the construction of new lines to freshly developed areas.

Other People's Views . . . .

The Canadian Editorial of the Week

Free Enterprise

Saint John Times-Globe

"No government controls presided over the industrial revolution. No state-controlled economy built the factories, laid the railroads, launched the ocean liners, invented and developed the electric light, the telephone, the automobile or the airplane. Under private enterprise has been built here one of the highest living standards in the world. It still rises."

Here, in fifty-four words, is the case for free enterprise, as stated by Walter P. Zeller of Montreal to members of the Canadian Weekly Newspapers Association. The words should be read by every citizen—particularly by every citizen who is being deluded by the opium dreams of socialists.

Without free economy Canada could never have come of age as a nation. Trammelled by bureaucracy, deprived of the driving incentive of profit, would our forefathers have blazed new trails through the wilderness and pushed back the forests and founded the cities and tunnelled the mountains and cultivated the plains?

The demagogues have raved and ranted too long without being answered. And it is refreshing and revealing when a man like Walter Zeller takes the cudgel of truth to their propaganda.

As Others See Us . .

Keep 'Em Flying

Halifax Chronicle

A fortnight has gone by now since Mr. Kenneth Wilson published in The Financial Post his disturbing news that high officials of the RCAF were far from satisfied with the situation regarding the recruiting of air crews. Over a week ago, in Parliament, Air Minister Power, answering Gordon Graydon's question on the "prospective curtailment of the air training program" said, without reserve, that "we are seriously alarmed" and that now "we are eating our fat."

It is claimed by the RCAF that, unless recruiting figures climb rapidly, the whole of the Commonwealth Air Training Plan may be jeopardized by the end of this year. It has been stated that we may even have to face the progressive closing of a number of schools at present functioning under the Plan.

Something drastic must be done, and done quickly, to back up the flying men of Canada overseas and to fulfil our obligations to the other partners in the Air Training scheme. This is definitely a problem which will not solve itself by mere postponement.

• • •

Reaping the Whirlwind

Strathroy Age Dispatch

There is no doubt that the manpower situation has caused countless farmers and businessmen real headaches and they are not likely to forget what has happened. In discussing one of the very latest angles to the problem The Financial Post says, "Can Ottawa Avoid Action Any Longer?"

How and when the government will finally reap the whirlwind of three years of weak and vacillating manpower policy, no wise man would predict. Month after month it has been able to "get by" through various and, for the most part, purely fortuitous circumstances.

But the news revealed this week that the great Canadian air training plan may be forced to run at a fraction of capacity for lack of manpower unless something is done promptly is a dire portent.

Here is a situation which need never have arisen had the government been willing to face up earlier to a realistic policy of compulsory selective service; if it were willing now to admit the lunacy of maintaining a "zombie" army of at least 50,000 "A" category men on home defense duty at a time when every national resource is being strained to the utmost and when the air training plan is threatened with a "slowdown" because of the improper use of our national manpower.

• • •

More Hindrance Than Help

Listowel Banner

The Financial Post, Canada's leading financial paper, is of the opinion that the dumping of unskilled labor on the farmer will not solve the critical condition that confronts the farmer today, as farming is an industry that requires trained labor. With this viewpoint we heartily agree, and on previous occasions we have stated that farmers and farmers' sons now employed in factory work should be brought back for farm work.

Last fall when university students were sent to help with the harvest in western Canada the scheme was a flop, as many of the students, while willing enough, were unable to stand up to the strenuous work. Unskilled labor on the farm is more of a detriment than a help to the farmer.

• • •

What The Papers Are Saying . . . .

A Glaring Example

Ottawa Journal

Arthur MacNamara, Director of National Selective Service, says that Canadian war industries are short 30,000 workers. This is an official statement, presumably backed by the Government.

On the other hand, we have recently seen advertisements in the newspapers placed by the Royal Canadian Air Force urging Canadians to leave their posts in war industries and enlist for aircrew. This is likewise an official statement, presumably backed by the Government. Here is the statement, the first and principal sentence of the large advertisements: "Maybe you're making bombs, tanks or plane parts or ships—but the real job, the big job today is delivering the stuff right into the heart of enemy country . . . Get out of the rut . . . Get into the fight."

Now it must be plain to even a schoolboy that these two statements do not combine to show that the government is handling its manpower problem in a co-ordinated way.

Soldiers leave the Army to help on the farms. Skilled workers are lured out of industry to join the Air Force. Industry is short 30,000 skilled workers.

Meanwhile the Home Defense Army goes on its peaceful way. The Air Force says the Home Defense Army has 50,000 "A" category men that could be used in aircrew. But the Air Force is not allowed to take these men or to take any Army men. Consequently the Air Force is obliged to raid industry and the National Selective Service chief is obliged to plead urgent need of 30,000 men.

• • •

Stop Me If . . .

The trainer put his two performing dogs though their routine, while the vaudeville agent watched, utterly bored until, at the finish, the little dog piped up, "Well, pal, how about booking us?"

The agent became electrified. "You don't mean the little dog's talking?"

"Nah," said the trainer wearily. "The big dog's a ventriloquist."

The Financial Post

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Used Cars

Demand Heavy: Supply Light

Tires, Gas Economy Become Chief Selling Standards

By DAVID L. KIRK

With Canada's supply of usable cars dwindling rapidly, the demand continues insistent, chiefly from war workers and other essential users. Today's used car buyer takes what he can get — so long as it has good tires and is unlikely to be a "gas hog." Price ceilings have been imposed and most good, modern cars sell around their maximum. New cars are almost non-existent, those remaining being held in the government car pool set up when manufacture was stopped.

A year ago there were four times as many used cars available on the Canadian market as there are today. At the outbreak of war there were five times as many as a year ago. It is in these estimates, given to The Financial Post by trade sources, that the growing all over car shortage is clearly seen. In the past year total number of cars in use in Canada has fallen by 3.1%.

These are conservative estimates of what has happened to the used car supply, trade sources maintain. New cars are practically non-existent.

In spite of gasoline rationing and tire shortages, demand for cars still exceeds the supply, emphasizing the essential part played by the automobile in our domestic economy.

As in normal times, the medium and low-priced cars are preferred. So long, however, as a car will run, has reasonably good tires and is unlikely to be a "gas hog," it will find a market. As good used cars are invariably selling at or near the official price ceiling, price differentials, as measures of differences in quality, are being reduced. To obtain a superior car today, you need luck as much as cash.

A couple of years ago daily papers featured columns of advertisements offering cars for sale; today they feature columns of ads of those seeking to buy cars.

Though price ceilings have been imposed on used cars, no form of direct rationing has been instituted. There is indirect rationing through control of supply of tires and gasoline. Howard B. Moore, managing director of the Federation of Automobile Dealers Association of Canada, knows of no reason why direct rationing of cars should be necessary. At the present time only an unimportant number go to users who have no great need for them. The overwhelming majority are bought by war-workers who require them for transportation to and from work and for other essential occupations.

The ceilings were imposed on the basis of percentages of the price of the model when new. At present the price of all but the very old cars are at the ceiling, which is considerably higher than the pre-war price level. Prices are made comparatively still higher by the fact that the base period taken, 1942, came just after the imposition of a new tax. This tax, levied on a sharply graduated scale, was sufficiently large to raise the price of a model sold at $1,000 wholesale to $1,265.

The table on the basis of which used car ceiling prices are established is as follows. Prices are expressed in percentages of original price.

Setting Ceiling Prices
(Model year starts Oct. 1 preceding car years)

	% Original Cost
Up to six months old	100
Six months to a year	95
One year to two years	85
Two to three years	75
Three to four years	65
Four to five years	55
Five to six years	50
Six to seven years	45

Delivery charges are allowed as follows for cars delivered in:

Delivery Charges

British Columbia	*190
Alberta	170
Saskatchewan	140
Manitoba	100
•Northwest Ontario	75
North Central Ontario	50
Quebec	50
Maritimes	60

By these provisions all present cars must suffer a fall in price at least once a year, on Oct. 1. On that date a car is considered, for the purposes of the ceiling, to be one year older and may only be sold under a new and lower ceiling.

The advantage of this plan is that it protects persons who must buy cars from making a highly unprofitable investment, suffering a tremendous drop in the value of his car after the war ends and new cars are again available. By this type of ceiling cars are being depreciated automatically. From now till the end of the war all cars will show a yearly decline in price.

Indirect Rationing

Rationing of the available supply of used cars is achieved indirectly, and it is admitted somewhat imperfectly, by the rationing of tires on the basis of priorities.

Until recently the sale of used tires, although subject to government regulation, did not require the issuance of a permit from the Wartime Prices and Trade Board, but only from the dealers themselves, these permits being obtained upon application. Now, however, the sale of both new and used tires are on the same basis requiring a permit from the government authority in each case. The new arrangement does not represent any new departure in the allocation of tires, but only a tightening up of the system, and a more detailed classification of purchasers.

To facilitate the proper allocation of tires, cars and gasoline, a Wartime Industrial Transit plan has been set up under which the unit of operation is a single factory and through which tires can be obtained for cars that were to be used co-operatively for the carrying to work of from four to six persons. This plan will not be superseded by the new order-in-council.

From a dealer's standpoint, too, the acceptance of a car which is offered for sale depends largely upon the condition of its tires, because the disposal of a car with useless tires involves the using up of part of the dealer's irreplacable stock.

Still Local Trade

The used car trade is characteristically one of a local nature, and it is the opinion of dealers that there has been no great change made by the war in this situation. Large scale migration of cars, such as has been reported in the United States, is unknown in Canada, the difference said to be mainly attributable to the existence in the U.S. of very substantial differentials in gas rations between regions. With our uniform Canadian rationing system, the only sizeable movements have been from Northern to Southern Ontario, from mining districts to war expanded industrial districts. Even this movement is now almost at a standstill.

Demand for used cars is far above the supply in almost all parts of the country, rural and urban alike. Farmers, as well as war workers, need cars, although most farmers are likely to have a car already, which will be traded in. This maintains the size of the car supply but it will be of poorer quality and with poorer tires, and many cars will have to be scrapped.

Buying Rivalry

The market for used cars is a highly competitive one, rivalry now being in the field of buying rather than selling. With reduced used car sales, it would be expected that many dealers would find themselves forced out of business.

The hardest hit have, of course, been those persons or businesses exclusively engaged in the purchase and sale of used cars. They have no organization set up in the fields of repair work and the sale of parts and accessories, etc. Such a varied enterprise makes the used car end of a business profitable to carry on even though it may not bear its full share of the costs of operation. It is surprising how few dealers have in fact gone out of business trade sources claim, even among those devoted exclusively to the used car business. Estimates of a 15% mortality are considered, if anything, to overstate the decline in numbers of dealers.

New Car Supply

With respect to the supply of new automobiles, it is possible here to give exact figures since every new car in existence at the time of cessation of manufacturing can be accounted for. Two pools of cars were then in existence.

First and largest was a government pool from which almost no cars were sold up until this year. At the beginning of 1943 this pool amounted to 4,472 cars. These have been stored and carefully preserved, not one having been seriously damaged or deteriorated. During 1943 not more than 200 have been sold from the government pool, and only to persons in occupations where fast, new cars were essential—to fire departments and the police, for example.

A supply, at present almost exhausted, of "free" cars, was also on hand. These were about 1,200 in number. These cars could be disposed of at the discretion of the dealers, except that the request was made that they be sold to persons who really needed them. They have, in fact, nearly all been sold to persons in essential occupations, it is claimed.

In response to an urgent need some 3,600 trucks were manufactured after the order to stop manufacturing automobiles was first given. These trucks have been sold subject to permit. Even at this time the supply is not entirely exhausted.

At present there is said to be no indication that further steps will be taken to regulate more strictly the sale of used cars. Mr. Moore's opinion is that any further regulation is unnecessary unless dealers find they cannot supply even the most essential demand. In that case compulsory requisitioning of cars now not in necessary use might be considered advisable. At present no such acute shortage exists.

The Week in Business

	July	June	May	Apr.	Year Ago
Financial Post Production Index	....	254.8	256.8	257.3	211.8
•National income, D.B.S. (c)	....	§752	§752	§737	649
•Dom. war expend. (million $)	264.2	256.3	272.2	136.9	185.0
•Dom. total revenue (do)	283.0	198.8	205.1	177.8	121.8
•Dom. total expend. (do.)	498.9	322.0	325.0	169.5	345.5
Dept. store sales index no.	....	130.6	138.6	153.4	134.1
Retail sales index no.	....	155.3	154.5	163.3	151.1
Wholesale sales index no.	....	174.8	163.6	163.8	167.6
Country store (% change pr. yr.)	....	+14.9	+13.8	+14.5	+14.6
Divd. payment index‡	124.2	123.5	122.7	122.0	122.6
Bank deposits (1935-39=100)	....	....	171.0	163.0	167.6
Cash and cheque pay. index	....	171.3	215.7	162.3	148.8
Bank debits (1935-39=100)	....	147.5	183.0	156.6	127.7
Money supply (c)	....	4,883	4,727	4,536	3,675
NEWSPRINT % OF CAPACITY—					
Production ratio	....	69.6	68.6	62.0	65.6
Shipment ratio	....	73.7	69.6	65.9	68.4
RAILWAY FREIGHT LOADINGS—					
•Tons (D.B.S. index)	190.3	214.5	190.8	201.6	188.1
•Cars (D.B.S. index)	148.0	147.0	142.5	144.1	141.4
COST OF LIVING—					
D.B.S. index	118.8	118.5	118.1	117.6	117.9
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	181.1	178.2	180.6	171.7
Manufacturing	....	224.1	222.9	224.3	205.9
Payrolls (June 1/41=100) (b)	....	143.6	139.8	144.3	125.3
Payroll index (a) (1937=100)	....	....	223	224	197

	1943	1942	1943 Jan. 1 to date	1942 Jan. 1 to date	Change %
RAILWAYS—					
•Carloadings (week Aug. 7)	66,915	63,680	2,029,775	1,189,076	+5.1
•C.P.R. gross (week Aug. 7)	$ 5,663,000	4,836,000	171,623,000	147,795,000	+16.2
C.N.R. gross rev. .. (June)	$ 39,260,000	31,789,000	210,484,000	169,415,000	+24.3
C.N.R. net rev. .... (June)	$ 9,368,000	7,946,000	44,935,000	38,019,000	+18.2
C.P.R. gross rev. .. (June)	$ 24,698,217	21,244,666	136,231,531	121,033,092	+12.5
C.P.R. net rev. .... (June)	$ 4,421,437	4,174,365	21,203,162	21,948,083	—3.4
IRON AND STEEL—(June)—					
Pig iron production (tons)	147,889	167,961	867,789	974,000	—10.9
Steel production ... (tons)	239,501	254,163	1,499,153	1,559,238	—3.9
CONSTRUCTION—					
Contracts awarded (July)	$ 16,166,900	32,093,400	118,293,700	167,040,600	—29.2
Building permits .. (June)	$ 7,895,250	12,934,835	35,076,195	51,301,293	—31.6
Cement prod., bbls (May)	705,544	789,828	2,174,353	2,392,443	—9.2
AGRICULTURE—					
Flour prod., bbls. . (June)	1,855,461	1,335,177	12,159,615	9,725,208	+25.3
Cattle sales▲ ..... (July)	77,361	85,024	573,737	609,853	—6.1
Hog sales▲ .... (July)	550,362	461,034	3,733,641	3,608,743	+3.5
SEA FISHERIES—‡					
Catch cwts. ...... (June)	1,069,752	992,079	3,685,576	4,417,285	—16.6
Landed value ...... (June)	5,711,877	3,716,970	14,816,993	10,452,840	+41.8
NEWSPRINT—					
Production, tons ... (June)	257,845	242,762	1,443,670	1,658,174	—12.9
Exports, tons ...... (June)	252,833	236,611	1,360,992	1,520,287	—10.4
MINING AND OILS—					
Coal prod., tons ... (June)	1,346,851	1,386,452	8,853,962	9,468,709	—2.9
Gold rec. (fine oz.) .. (June)	298,416	398,695	1,917,911	2,370,188	—19.1
Petroleum prod., brl. (May)	872,812	892,034	4,211,751	4,383,292	—3.9
ELECTRIC POWER OUTPUT—(June)—					
Total monthly 1,000 kw.h.'s	3,355,032	3,043,200	19,624,395	18,612,384	+5.4
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (June)	2,830,719	2,891,123	17,402,629	16,493,270	+5.9
Cotton consump., lb. (June)	15,175,814	14,970,262	95,515,019	99,626,902	—4.1
Cigarette cons., No.† (June)	775,261	787,409	5,541,283	4,635,621	+19.5
FINANCE—					
Bank debits† ..... (June)	$ 4,349,608	3,767,042	25,467,387	21,591,707	+18.0
Bond sales† .... (June)	$ 392,922	298,653	3,409,431	2,021,668	+68.6
Life insurance sales (June)	$ 52,475,000	43,898,000	280,875,000	238,780,000	+17.7

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. †000 omitted. •Millions of dollars.
‡Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries. §Estimated.

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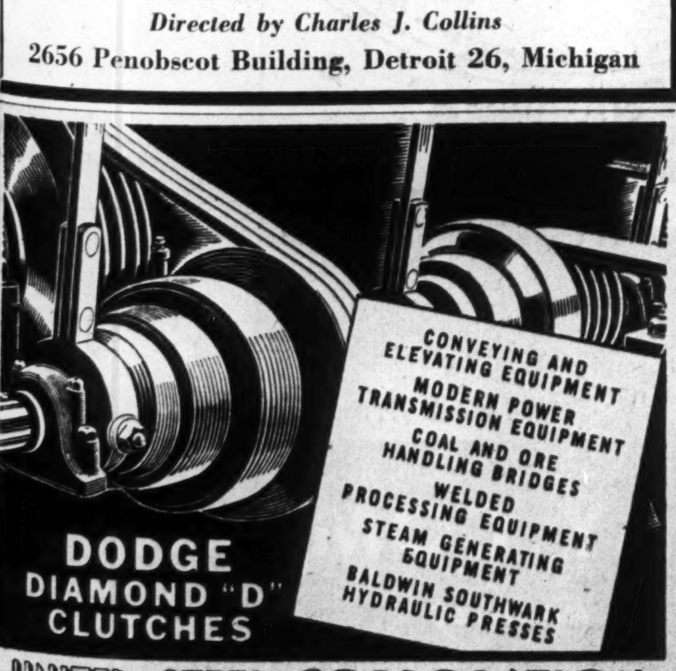

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Installment Legacies Exempt From Taxation

Under a decision by Justice Thorson, president of the Exchequer Court of Canada, legacies payable exclusively from the capital of an estate, even when paid in the form of annuities are not taxable under the Income War Tax Act.

Mr. Justice Thorson's ruling said in part:

"In my view, the term 'annuities or other annual payments received under the provisions of any will or trust' as used in Section 3 (G) of the Income War Tax Act, does not include or extend to legacies payable exclusively out of the capital of an estate, even when such legacies are payable by installments on specified dates annually, where the maximum amount which the legatee is to receive out of such capital is specified, such legacies being in each case the legatee's share in the distribution or division of such capital and constituting property acquired by him by gift, bequest, devise, or descent within the meaning of section 3 (A) of the act and as such not subject to income tax."

Appeal of Beneficiaries

The decision was given in an appeal of three beneficiaries under the will of the late Senator Frank P. O'Connor against assessing income tax on legacies payable in installments, under the O'Connor will.

Under the Income War Tax Act, legacies and bequests paid out of the capital of an estate are not taxable providing they are not annuities or annual payments. But annuities, even if paid out of the capital of an estate are liable to income tax subject to the proviso that, for 1943 and following years, they are subject to an exemption of $1,500, if paid under the provisions of a will or trust becoming effective prior to Jan. 1, 1944.

The payment under the O'Connor will, however, regardless of whether they exceeded $1,500 or not, were considered by the Exchequer Court President as legacies in the ordinary sense and therefore not subject to income tax.

B. C. Softwood Prices Higher

From Our Own Correspondent

VANCOUVER. — From Aug. 16 British Columbia softwood lumber previously covered by subsidy became ineligible for such concessions and the increased prices were passed along to the consumer.

These increases amount to $4 per thousand feet on softwood lumber with the exception of Sitka spruce, $1 per thousand pieces of lath, and $1 per square or its equivalent on production of red cedar shingles. These prices apply in each case to the lumber marketed in Canada.

When Timber Controller Williamson announced the price increases June 15, WPTB interpreted them as running counter to the anti-inflation policy. The Timber Control then undertook to convince the board that purchases of lumber should be regarded as a capital investment rather than an increase in the cost of living, and this argument apparently won out.

Certain consumers of lumber engaged in essential industry will be able to apply for subsidies, as announced during the past week by WPTB, so that the increased prices will not work a hardship on them. Farmers are included in the list.

S. C. Power Net Better in July

Southern Canada Power Co. reports a gain of both gross and net income last July compared with the same month a year ago. After dividends, there was a surplus of $5,780 compared with $1,313 in July, 1942.

Cumulative returns for the 10 months ended last July are still behind those for the same period a year ago. Dividends on the common stock are covered with a surplus of $28,925. This compares with $111,076 a year ago.

Income Statement

July	1943	1942
Gross income	$274,895	$272,922
Less: Expenses	74,302	83,912
—Taxes	77,162	70,598
Int., deprec. & dividends	117,651	117,099
Surplus	5,780	1,313
10 Months Ended July		
Gross income	$2,686,389	$2,704,414
Less: Expenses	805,483	821,768
Taxes	682,397	603,035
Int., deprec. & dividends	1,169,584	1,168,535
Surplus	28,925	111,076

Can. Gen. Electric Explains Electronics

A booklet, "Electronics—A New Science for a New World"—has just been issued by Canadian General Electric Co. It explains the nature and possibilities of electronics.

Stated simply, C.G.E. writes, electronics is the science of the electron—one of the fundamental particles of matter and electricity from which the universe is built. These electrons, far too small to see even with the most powerful microscope, have already given us the radio, the X-ray and many of the newest devices widely used in this war.

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Making Pulpwood From Waste

B. C. Lumber and Pulp Companies Find Hemlock Useful

From Our Own Correspondent

VANCOUVER—Ever since adoption of the high-lead, skyline and other big-production methods in the west coast woods, loggers, foresters and mill operators have been asking themselves:

"What's the use of worrying our heads about reforestation and perpetual use theories so long as we lose so much of our output through waste?"

Prevention of waste in logging operations has been Item No. 2 in the logger's book of principles. No. 1 has always been prevention of fire.

But only this summer did a really important logging organization tie in with an equally important processing company in a sincere attempt to smash the bugaboo of waste. It happened when Comox Logging Co., operating on Vancouver Island, became associated with Powell River Co., premier west coast newsprint and pulp manufacturer, in a three-way agreement with the provincial government to salvage logging waste and convert it into pulp.

Leaders in the logging and processing industries of B. C.—Comox Logging Co. and Powell River Co.—have changed their minds recently about a number of things. They have merged forces to salvage logging waste and convert it into pulp—an action which will utilize the formerly despised hemlock. They and other operators are finding a ready market for the hemlock which has become a major source of west coast pulpwood. And they are ranging over the logged-off sections for timber waste which is now being trucked to tidewater for shipment to processing mills. The results to date, it is stated, are of a highly optimistic nature.

Headache to Loggers

To leave behind so much log debris in the forest after the big, easily handled trees had been removed has repeatedly aroused the indignation of tourists, nature lovers and the general public which has grown heartsick at the spectacle of acre after acre of desolate country once clothed in virgin timber. The same spectacle has been a headache to loggers.

It is claimed that on the Comox operation alone near Ladysmith on Vancouver Island enough timber has been wasted—left on the ground and partly burned as slash—every year to keep a big pulp mill in steady operation.

But until this year nothing was or could be done about it with much hope of economic success. A large percentage of the timber left behind was hemlock, and until a few years ago this was the despised species in west coast woods. For some reason there was prejudice against hemlock; it was rated inferior to Douglas fir, mainstay of B. C.'s export lumber trade for half a century.

Hemlock for Pulpwood

But hemlock came into its own when wartime demand whipped up production of all species, and enlightened sawmill men like Leon Koerner, the European forester who came to Canada just before the war, converted hemlock into the Cinderella wood of B. C. forests. Today not only Koerner but many other smart operators are finding a ready market for hemlock lumber. Hemlock has become the major source of west coast pulpwood and is so highly thought of that it is regarded as first alternative to spruce in manufacture of airplanes. The result, of course, was to hoist the price of hemlock. In other words, hemlock has become too valuable to be left on the ground as waste.

And so Comox Logging Co. is now clearing up the vast area over which its loggers have ranged in search of big Douglas firs and sawmill hemlock. Logs of all sorts and sizes are piled up and loaded, then trucked down to tidewater and shipped to the Powell River mill.

Just how the "debris" will be converted into pulp is a task for Powell River chemists, but everyone concerned in the experiment—and it is still only that—is exceedingly optimistic as to the ultimate result.

The government is watching the experiment closely, and so are all logging operators and pulp manufacturers on the west coast, because if it can be applied effectively at Ladysmith it should work just as well in other logged-off areas, and many millions of feet of pulpwood will be conserved that otherwise might go up in smoke or rot away in the forest.

Powell River Co., which abandoned its traditional one-product policy some years ago when it added sulphite pulp to its newsprint output, is looking ahead and planning accordingly.

Substitutes at Hand

"The war has forced many apparently drastic but in the end possibly salutary changes in the industry as well as in society," stated a representative of Powell River Co. "In the pulp and paper industry we have become accustomed to the use of logs in our manufacturing processes. Logs were reasonably easy to obtain. Why look around for costly substitutes?

"This situation no longer holds good. Whether we like it or not, we have to discard old habits and old ideas. We have to be prepared to meet the present with all the ingenuity and resourcefulness we can muster, and we have to be prepared for what the future will demand of us.

"It is with these factors in mind that Powell River Co. is setting up its research and development planning committee. Today it is difficult—it is virtually impossible—to purchase equipment or manufacturing material. Yet the plans provide, first of all, for the direction of our immediate energies to the present, to whatever tools are at our disposal for the maintenance of operations; but beyond that are concrete proposals to cover, anticipate and, as far as possible, meet the problems of a postwar world by fuller development of new products and by complete utilization of an imaginative and social-minded directive control."

Colonial Air Lines, Inc. Has Big Traffic Gain

Colonial Air Lines, Inc., passenger, mail and express traffic over its route showed a substantial increase in July over June, 1943, and a 33.4% increase over the same month last year, Sigmund Janas, president, reports. In 1942 the company operated eight flights daily as compared with the present schedule of six. The reduction in trips flown was made necessary when the air lines turned over to the Air Transport Command a substantial portion of its aircraft.

The volume of air express also showed an increase of more than 270% in July, 1943, as compared with July, 1942.

The average load pound factor for the month of July was better than 90%.

Colonial Air Lines operates a scheduled daily air service between New York City and Montreal with intermediary stops at Burlington, Vermont, and the city of Albany, capital of New York State.

Zellers Ltd.'s sales for the current year so far are on a par with those reported a year ago. Inventory position has been reasonably well maintained and the difficulty of the management these days is in finding items to replace those which are no longer obtainable.

Company Reports

Canada Wire

Retainable net profit of Canada Wire & Cable for the first six months of 1943 amounted to $274,736, to which must be added $271,400 representing the refundable portion of the excess profits tax available after the war.

This makes a total of $546,136, compared to $304,918 for the first six months of 1942. Refundable portion alone is equal to $1.80 a share on Class "B" common stock of the company.

Noranda Mines has acquired from a former stockholder in the U. S. another block of stock in the company, giving it controlling interest. Approximately 90% of outstanding shares are now owned in Canada. Dividends, payable Sept. 15, 1943, have been declared on the Class "A" stock ($1 a share), and the Class "B" stock (25c. a share).

Profit & Loss—Six Months Ended June 30

	1943	1942
Oper. profit	$1,882,947	$1,536,182
Less: Deprec.	70,251	165,264
Income & E. P. tax	▲1,537,960	1,066,000
Profit immed. avail.	274,736	304,918
Add: Ref. E.P.T.	271,400	......
Net profit	546,136	304,918
Earned per share:		
Class A	$12.93	$4.80
Class B	1.76	0.14

▲Including refundable portion of E.P.T.

Hollinger Consol.

Net profits of Hollinger Consolidated Gold Mines showed a decline of approximately $450,000 or 9.2c. a share for the first six months of 1943, as compared with the same period in 1942. Six months' profit in 1943 amounted to $1.8 millions, or 36.9c. a share.

Ore milled during the year has been of a higher grade than last year, though a smaller tonnage is being treated.

Operating Statement—6 Mos. Ended June 30

	1943	1942
Gross production	$6,375,324	$8,154,921
Less: Operating exp.	3,669,257	4,868,599
Taxes	700,000	968,738
Operating profit	2,006,067	2,317,584
Add: Other income	144,000	279,513
Profit before deprec.	2,150,067	2,597,097
Less: Depreciation	333,594	329,786
Net profit (est.)	1,816,473	2,267,311
Earned per share	$0.369	$0.461
Tons milled	624,335	903,455
Recovery per ton	$9.86	$9.03

Hard Rock Gold

During the six months ended June 30, 1943, Hard Rock Gold Mines earned an estimated net profit of 2.55c. a share, compared with 3.26c. in the corresponding period of 1942. Net profit for the 1943 period amounted to $76,283.

The company milled almost 10,000 tons less in 1943 than it did in the half year of 1942, but the drop in gross earnings was not in proportion due to a rise in mill recovery to $9.92 a ton from $8.77 in 1942. Operating costs in the current year are higher, however.

Earnings Statement—Six Months Ended June 30

	1943	1942
Gross production	$588,310	$608,364
Less: Oper. expense	400,202	383,050
Tax reserve	30,551	40,879
Operating profit	157,557	184,455
Add: Other income	3,452	2,475
Net earnings	161,009	186,930
Less: Depreciation	55,058	54,703
Devel. cost w/o	29,668	34,659
Net profit (est.)	76,283	97,568
Earned per share	2.55c	3.26c
Tons milled	59,235	69,319
Recovery per ton	$9.92	$8.77

B. C. Packers

Net profits of British Columbia Packers for the year ended April 30, 1943 were down about $115,000 to $308,043, as compared with the previous year.

Dividends were cut in half to 75c. a share for the fiscal year. Profits earned amounted to 2.6% of the value of net sales and $2.26 a share. The phenomenal run of sockeye salmon in Sept., 1942, resulted in the largest catch of this fish since 1913, but the catch of other varieties was down. The pack of canned herring was down 20.9% from the previous year and the pilchard pack declined over 50%. Fresh and frozen fish were handled in increased quantity.

All the first mortgage bonds of the company were redeemed July 15, 1943, and a net expenditure on capital assets of $227,230 was made during the year. Inventories of salmon at April 30 were down to nothing, a situation unprecedented in the company's history.

Income, Surplus—Years Ended Apr. 30

	1943	1942
Sales (net)	$11,936,481	$12,212,296
Less: Cost of sales	10,079,791	10,389,469
Admin. & gen. exp.	457,625	410,760
Oper. profit	1,399,065	1,412,067
Less: Depreciation	332,424	289,859
Mgmt. & exec. sals.	47,700	46,150
Directors' fees	1,000	1,000
Legal expenses	3,927	5,756
Bond interest	40,711	42,922
Bond disc. & exp. w/o	......	4,021
Tax reserve	*665,260	598,849
Net profit	308,043	423,510
Less: Divds. paid	102,209	204,419
Surplus for year	205,834	219,091
Add: Prev. surplus	1,155,321	936,230
Less: Bond disc. & exp. bal. w/o	46,576	......
Earned surplus fwd.	1,314,579	1,155,321
*Includes $82,475 refundable E.P.T.		
Earned per share	$2.26	$3.11
Paid	0.75	1.50
Working capital	$2,123,430	$2,011,340

Trust & Loan Co.

Operations of the Trust & Loan Co. of Canada for 1942 show increased earnings due to the increased profit on the land investments of the company which in turn are determined principally by the size of the wheat crop and the price obtained for it. The company's head office is in England but operations are largely in Canada.

The president's report stated that there is evidence the mortgage and land investments position is becoming more liquid, this being shown by the decrease of £113,000 in the combined book value of these items. The report also drew attention to the large assets item under sundry debtors resulting from some £41,000 of grain which was unsold due to the difficult storage situation, but for which the company took credit. Net losses on land investment, shown this year in the revenue account, had previously been charged to statutory reserve.

Income, Surplus—Years Ended Mar. 31

	1943	1942
Interest in Canada	£79,129	[illegible]
Profit on oper. land invest.	87,942	[illegible]
Misc. income	9,155	[illegible]
Exchange account	16,345	[illegible]
Gross income	192,571	[illegible]
Less: Expenses	33,835	[illegible]
Int. on debent.	36,118	[illegible]
U. K. taxes	32,682	[illegible]
Can. taxes	33,500	[illegible]
Loss on Can. invest.	19,546	......
Surplus for year	36,890	[illegible]
Add: Prev. surplus	16,590	[illegible]
Less: Conting. reserve	30,000	[illegible]
Res. for taxes	......	[illegible]
Balance forward	23,480	[illegible]

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Wakefield

ENGLISH MIXTURE

W-443

U. S. MARINES CRASH SOLOMON ISLES

IN JEEPS FROM WILLYS-OVERLAND

On the shores of Guadalcanal and on the beach at Tulagi Bay, fighting U.S. Marines used tough, battling Jeeps to add new drive and mobility to a striking power already famous throughout the world.

There these rugged Willys-built Jeeps played a part in the ensuing process of clearing the jabbering Japs out of the jungles and winning for the United Nations additional strategic bases for further advance in the Pacific.

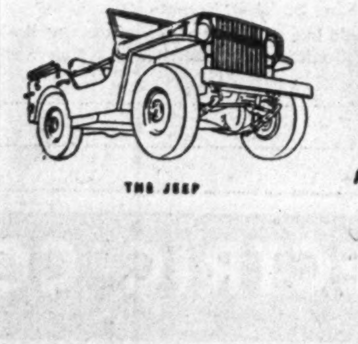
Three motor manufacturing companies, working in close collaboration with Army Service Forces, originally submitted models of the ¼ ton 4 x 4 reconnaissance truck for test. The Jeep produced by Willys-Overland engineers was selected as a vehicle for the U.S. Army.

Jeeps of this design are now serving *all* the United Nations well, and rendering versatile and valuable service on every front.

Although Willys-Overland's facilities were adequate for much greater ¼ ton 4 x 4 reconnaissance truck production the U.S. Government wished to take the precaution of having a second source of supply for this valued vehicle. Willys-Overland, therefore, gladly shared temporarily the manufacture of this vehicle with another motor manufacturer, turning over to them all its blue-prints as approved by the Government, including the plans and specifications for building the famous Willys "Go-Devil" Engine.

Long previous experience in building light-weight, rugged and economical transportation enabled Willys-Overland to make a major contribution to the development of its Jeep finally approved for the U.S. Army. It is our expectation that thrift-minded motorists will demand, as prime requirements in their post-war car, the qualities of stamina and economy that have reached such a high state of development in the Willys-built Jeep.

WILLYS EXPORT CORPORATION, TOLEDO, OHIO, U.S.A.



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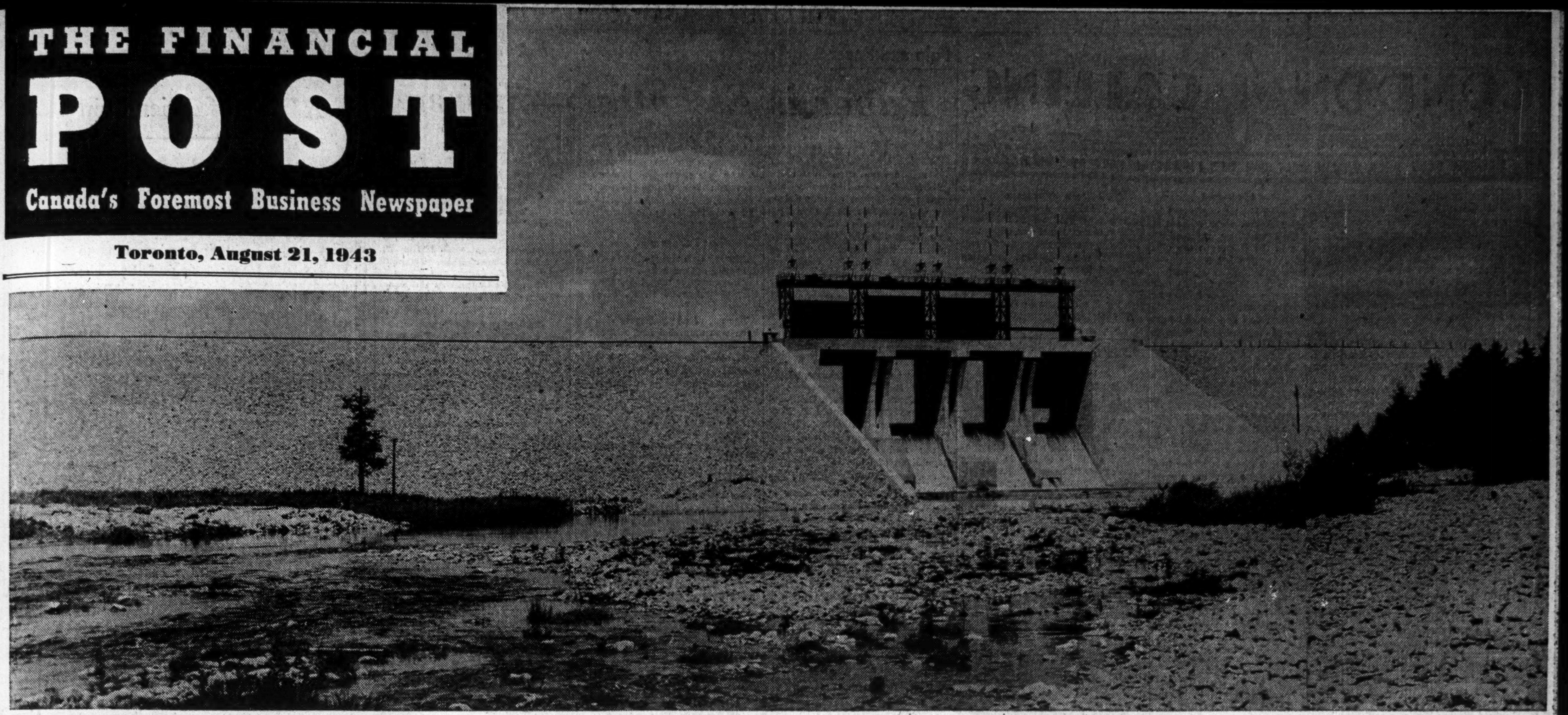


Flood Control — A Postwar Job

Grand Valley Masters Its River

By GORDON L. SMITH

Postwar projects that will pay for themselves, prevent serious annual losses and permanent injury to otherwise productive land offer attractions impossible to ignore.

Such a proposition is the combination flood-control and reclamation project now partly completed and operating on the Grand River Valley of Ontario.

This is a concrete example of a practical conservation scheme of a kind offering postwar possibilities in nearly every section of the Dominion. It already promises to be self-supporting and perhaps even self-liquidating. In its first year those close to the situation estimate it has saved the community served more than its original $2 millions cost.

Since the Grand Valley project was started other municipalities and areas with similar problems have become very much interested. They, too, see development of practical postwar projects that in the long run should pay for themselves at least in indirect, if not direct, benefit.

Over wide areas of the Dominion, where river beds are narrow and especially where original tree growth has been cleared so that moisture absorption has been greatly diminished, millions of dollars of property damage occurs almost yearly.

Within a few hundred miles of the Grand River alone there are dozens of such examples, the Thames, which flows through London and a rich agricultural and industrial region of southwestern Ontario, the Ganeraska, a roaring torrent through Port Hope in the spring but something that an ordinary culvert could handle the rest of the year, the tumbling Moira which periodically threatens to flood a large part of Belleville, and the normally puny little Etobicoke which is content to flow through a drain under the business centre of the town of Brampton except for a few weeks in certain springs, when it occupies the main street and much of the first stories of the business properties on either side.

Late this spring after a steady three-inch rain, more water started pouring down the Grand River and its main tributaries, the Conestoga, the Nith and the Speed, than ever previously recorded. On the upper Grand actual measurement showed 65% more volume than any known peak.

Citizens of Brantford, Galt and other places downstream started preparing for real trouble. They remembered the flood of 1929 when hundreds of thousands of dollars of damage occurred.

This spring there was some flooding, but compared to 1929 when the volume of water was actually much less, loss was negligible. Indeed flood crest at Brantford was actually 2.7 ft. less than that in 1929.

The new Grand Valley Dam held the flood waters of the Grand back for 48 hours until the crest of the Conestoga and the other rivers had passed. The man-created three-square-mile Belwoods Lake above the dam rose 10 ft., and increased one third in volume in four hours, but the flow into the river below was kept under reasonable control.

A great many Doubting Thomases, who scoffed at the idea that floods could be eliminated in Grand Valley, no longer doubted from that period last May.

Flood control along the Grand is not yet complete.

The main tributaries of the Grand which flow into the parent river below the dam are still uncontrolled and there is also danger of more flood water originating above the dam than can be properly handled.

The final scheme calls for construction of at least three more dams, one above and three below the present structure which has been in operation just one year.

But with even the present 25% control, most citizens in the populous 125-mile basin of the Grand River are satisfied that they have the answer to those wild periods occurring almost every spring when the Grand River used to go on the rampage. They also think they have the answer to the serious sewage and water problems in the same area.

20 Years' Promotion

For at least 20 years conservation and control plans have been under discussion. Almost every spring the lower business streets of Brantford and Galt have flooded. Goods have been damaged, furnaces put out of action, traffic disrupted and water and sewage services interrupted. Damage in Galt in 1929 alone was estimated at $200,000. In an effort to tackle the problem single-handed, Brantford spent some $450,000 on dykes.

Most of the other towns and cities along the Grand, due to lucky high location, got off with not much more than minor flooding in a few of the lower areas.

But flood damage was not the only problem. Water services were continually threatening trouble. Preston, for instance, was without water on a couple of occasions. Down valley country seemed to be drying up some summers. Farm wells, as well as those larger borings supplying town and city systems, threatened to cease functioning.

Disposal of sewage was also a headache. Eventually, in some form or another, the Grand River had to take care of that and during some dry summers it was a bigger job than the Grand could handle. At certain times of the year there was actually more sewage being dumped into the river than water coming down. Health authorities warned the city fathers that this was going very much too far. The flow was reduced to such a trickle on hot summer days that it was not sufficient to carry off the natural weed growth which festooned rocks and rotted, thereby becoming an offense both to eye and nostril.

And as the towns and cities steadily increased in growth these problems became more acute. All centres along the Grand—and as the map shows there are a lot of them—were interested in one way or another in water conservation.

Finally action for a permanent solution was taken. A bill was put through the Ontario Legislature and a permanent commission set up under the chairmanship of William Phillip of Galt.

First objective was construction of the Grand Valley Dam, also known as the Shand Dam, named from a nearby school and family. The scheme was presented partly as an unemployment project and in the early stages of construction in 1939 many unemployed from Kitchener, Galt and Brantford and other participating municipalities actually enjoyed their first steady jobs in years.

Cost was split three ways. Participating municipalities, in addition to taking on permanent maintenance, paid 25% of the original expenditure and the other 75% was divided equally between the Ontario and Dominion Government. Total outlay for the dam, inundated lands surrounding the lake, rerouting of roads and the railroad, litigation and rebuilding of several bridges amounted to $2 millions, just $100,000 above the original estimate made before the war increased certain costs.

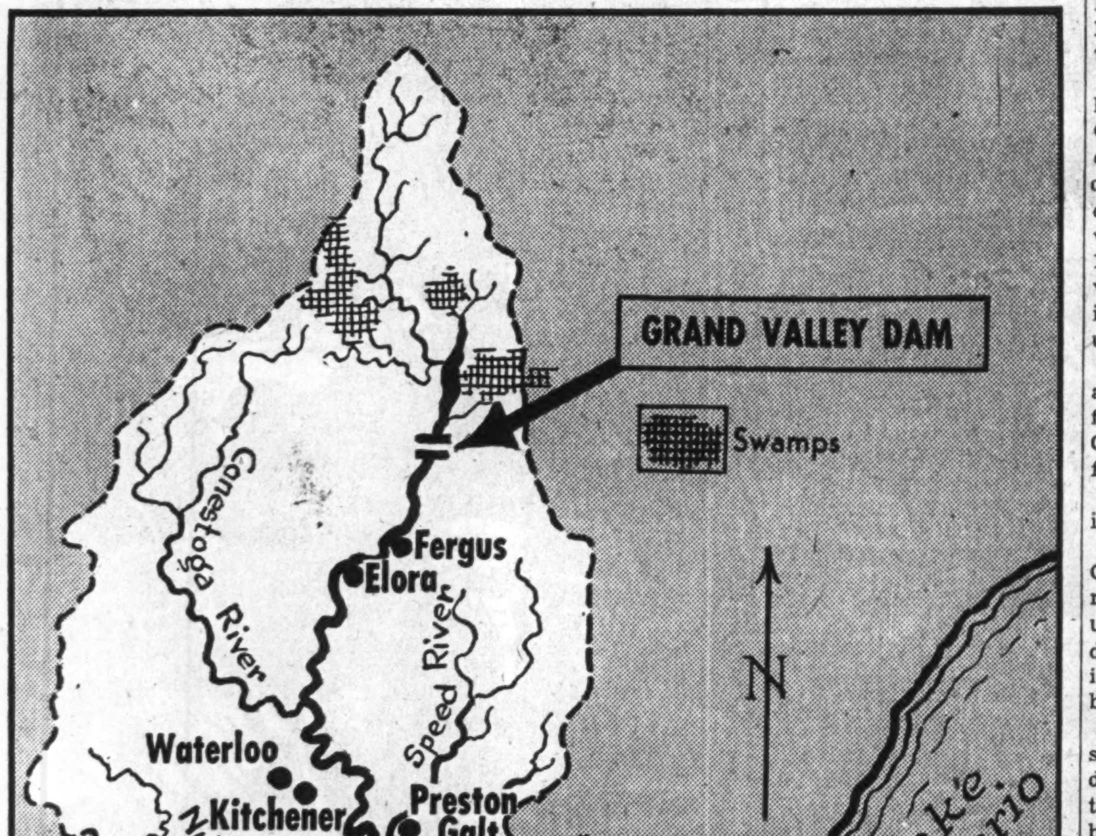
Some 86 pieces of property, including 3,000 acres of farm land and almost half the residential and business buildings in the village of Belwood were taken over. Of this number less than six cases had to be settled by official arbitration, the remainder being handled direct between the original owners and the Grand Valley Conservation Commission.

Cost of farm land averaged almost $65 per acre, which came as a bit of a shock to some of the commissioners who believed, until the owners were approached, that they were largely flooding agricultural land of marginal character. After purchasing had been completed, however, they had a finer appreciation for the complaint of the old railway official who stated that, judging by the claims asked, only the highest priced cows ever appeared to get in the way of his locomotives.

From the highway the new

(Continued on page 15)

Flood control, sewage disposal and land reclamation are projects justifiably getting a lot of attention from postwar planners. Such a project, offering an example which could apply to many parts of Canada, is that now partly completed and operating on Ontario's Grand River Valley. Already within a few hundred miles other sections of Ontario are looking at their problems in the light of what has been accomplished here. When completed after the war the Grand Valley Dam may well prove self-supporting and self-liquidating, highly desirable characteristics in any scheme for bridging the gap between war and peace.



The Grand River Valley is one of the richest areas in Canada. Roughly 120 miles long, it contains much valuable farm land and almost a dozen thriving industrial communities. Each spring the normally placid Grand River menaced property all along its banks, damage from some of the floods running well into six figures. In addition there was a steadily growing problem of sewage disposal from fast growing cities like Kitchener and Brantford. First step in flood control and water conservation was the construction of the Grand Valley Dam above Fergus last summer and three other similar works are contemplated throughout the valley after the war. Chief sponsors of the project, and financial backers along with the provincial and federal governments, are the municipalities shown in heavy type on the map.

Investing For Tomorrow — Article No. 7

Nickel Plans Its Future

Stainless Steel Held Best Hope to Absorb Slack

By BRUCE MacKINNON

Back in 1921, International Nickel closed its plants in September, and did not open them again until September, 1922.

That was Nickel's first experience in the problems of postwar readjustment, and it is an episode that no one, particularly the company's management, wants to see repeated.

One of the reasons why Nickel had to close its plant 22 years ago was that there had been no advance planning, as we now understand it, to meet the problems that developed after the Great War. The tremendous piles of scrap from the battlefronts, and from the semi-finished products of North American war industry burst in an uncontrolled flood on the country's metal markets and completely disrupted production throughout the metal trades. One of the most important jobs of postwar planning for both industry and Government today will be to control the scrap metal resulting from this war and release it on world markets in an orderly fashion.

While this overhanging supply of scrap metal was a major factor after the last war, and will probably be so again after this war, its effect is temporary. A more important problem for Nickel after the last war was the fact that industry had come to regard nickel steel largely as a war metal. Industry and the consumer were "sold" on the importance of the finest quality of steel for battleships, but neither group had yet realized that better grade steels were necessary throughout industry.

The business of selling that idea to industry and the consumer was the key to Nickel's comeback after the last war. The company set about convincing automotive engineers that nickel steel had many qualities lacking in ordinary steel or cast iron, with the result that the use of steel containing 1½ to 3½% nickel became very widespread, and by 1929 total consumption of nickel had risen to a higher level than it had in the previous peak of 1918.

The great expansion of the use of nickel in plating, as an alloy with copper in monel metal, and the use of the metal in nickel coinage, is familiar to every consumer. In industry, wherever a metal needed to be tough, to be proof against rust and corrosion, to resist abrasion, Nickel found and developed a market.

Now, for the second time, International Nickel faces the problem of reorienting its markets and production after the end of a global war. And once again, the answer is in finding wider markets to absorb increased production. In 1939, International Nickel produced approximately 105,000 tons of nickel in one form or another. Adding to that the approximately 25,000-ton increase in output since the war began, it appears probable that International Nickel will be able to produce at least 130,000 tons of nickel a year.

Where is all that nickel going to be used?

A great deal of it will go as an alloy into the giant retorts and cracking stills of the petroleum industry, it will be used for vats and tanks, sometimes in the form of monel metal, in the chemical industry, it will appear increasingly as stainless steel in sinks, in the form of Inconel, in fine metal work, and as an alloy in thousands of precision parts for machine tools and other machinery.

But the development on which International Nickel is depending most heavily to absorb the great bulk of its increased productive capacity is a potentially vast increase in the use of stainless steel.

This metal can contain as high as 35% nickel, but a more standard formula runs 8%.

If there were enough nickel to change all our steel to the stainless variety, the world we live in would be revolutionized. Rust, the "greatest agent of destruction in the world," would disappear. Everything would be made lighter with the same strength. Paint and enamel would be used only to please our color sense, or, as in wartime, for camouflage. Actually, the entire 130,000 tons of nickel likely to be produced in Canada after the war would only suffice to turn out 1.5 million tons of stainless steel on the 8% formula. This is about 1½% of the total United States production, and about half the entire steel production of the Dominion of Canada. Since International Nickel serves a world market, it could market its entire output to the makers of stainless steel if about one half of one per cent of the world's current steel production were changed to stainless.

Two factors have hitherto opposed the wider use of stainless steels. First has been the question of price. Nickel sells for 35 cents a pound or $700 per ton. Ordinary steel can be produced around $25 a ton, and by alloying 8% nickel, the final cost for the ingredients of stainless steel runs about $80 per ton. The actual price of stainless steel has usually run higher than that, commonly around $150 per ton for the more standard classes, with special formulas running up to $600 or $800 per ton.

Even if quantity production of stainless steel should bring the price down to around the lower limit of roughly $80 per ton, the stainless product would still cost three to four times the price of ordinary steel. This price discrepancy is naturally a serious deterrent to the manufacturer who is considering switching from standard to stainless steel.

But it is not as serious as it sounds. A stove, for example, which

(Continued on page 15)

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON.—Recently I went to Garfield Weston's lovely country house on the Thames. It is a short train journey but by changing twice the railway manages to make the trip last an hour and a half. Weston met us at the station with a pony and chaise. For a man who has made an awful lot of money he has the exuberance of a young fellow who has just had his first rise in salary.

After lunch there was a musical program of 17 numbers entirely performed by the Weston children who now only number 8 as the eldest boy is in the Canadian Navy. Under the Weston regime each member of the family has to play two instruments—that is the piano and a choice of violin, viola or cello. The program started off with a full orchestral rendition of "Oh, Canada" with Mrs. Weston at the piano. The only two members of the family not in it were Garfield himself and his baby son who, having been born during the war, was not up to the required standard. It is only fair to record, however, that the small boy made two raids on the cello and keenly felt the isolation of his position.

Miriam (21), Barbara (17), and Nancy (15) gave us Debussy, Chopin and Mendelssohn. They all possess a very fine touch and their playing was quite charming. Altogether it was a grand occasion and no one enjoyed it more than two stray airmen on leave whom Weston picked up and took home for the week end.

Garfield Weston has intimated his intention not to stand again for Parliament. His Canadian and British industrial interests are too vast to allow him time to do his parliamentary job well and he does not like doing things any other way. My guess is that after the war he will live in Canada but he will spend a lot of his time over here.

* * *

The Strongest Member

According to the Evening Standard Col. Ralston is the strongest member of the Canadian Government next to the Prime Minister.

The Standard also informs us that Mr. Mackenzie King never seeks the limelight but delegates both authority and publicity to his Ministers.

Colonel Ralston received a warm welcome here in a double sense. Everybody is rejoicing over the splendid way the Canadians are fighting in Sicily. It is also the hottest weather we have had for years.

A Lord is Seated

Lord Wavell has taken his seat in the Upper House. Ever since the Lords gave up their resplendent Chamber to the Commons the element of pageantry has been somewhat curbed. In former days when a Peer was to take his seat he met his sponsors in what was known as the dressing room. Then resplendent in their robes and cocked hats they moved majestically through the great Art Gallery into the Chamber.

Now the whole House of Lords do their debating in the dressing room. The result is that Lord Wavell and his sponsors had to stand around in the Art Gallery waiting for their cue, while members of the public and House of Commons gazed at them.

It is as if the actors in a play had no place to wait but the public foyer of the theatre. Slightly disillusioning, you will agree.

* * *

The Italian Problem

Churchill refused to let himself go over the resignation of Mussolini. We all thought that he would excel himself in what Mrs. Malaprop called "a derangement of Epitaphs" but he treated Mussolini as no more than an evil malady which had disappeared from the human race.

The truth is, of course, that victories bring problems no less complex than defeats. It is not only the belligerents which are sapping Germany's strength but the occupied countries. Germany has discovered that the Conqueror must not only rule but superintend the economic existence of his victims.

What Churchill does not want is an Italy gripped by anarchy. It will not suit our game at all to send a large army to administer Italy for the Italians.

* * *

Ciano and Edda

Where is Ciano? What fun that strutting young man has had with his military cap on the side of his head and looking like Prince Danilo from the Merry Widow. He was not without courage for he flew in an airplane against the mighty Air Force of Abyssinia and he married Edda the daughter of Signor Mussolini but not of Signora Mussolini. Of the two gallantries the marriage with Edda was the braver act.

She was a dangerous woman. She loved the attention of heel clicking Germans and they played up to her vanity. She believed that she was irresistible and the Germans believed that she was easy. Ciano distrusted the Germans' intention both toward his wife and his country.

Not long before the war he went to see Hitler to warn him that France and Britain meant business. It is said that Hitler snapped his fingers close to the Ciano nose and said: "Your father is a fool and you are his son."

Ciano returned to Rome and sulked openly for a week which is a long time for one with his volatile nature. Now he has a dark and troubled future. He aided and abetted Mussolini in many of his darkest deeds. I would regard Ciano, actuarially, as a poor risk.

Hitler's Synagogue

Two years ago a couple of German planes got lost and bombed Dublin under the impression that it was an enemy target. Several buildings were damaged including a Jewish Synagogue.

De Valera protested to Berlin. Hitler apologized and said he would pay for the damage in full.

A complete new Jewish Synagogue was built with the German money. In Dublin it is known as Hitler's synagogue.

* * *

It is very hot. I agree that it is not like Toronto on a breathless August day or New York where even though it rains you sweat like a Fascist. But it is hot.

The English are not used to prolonged sunshine and it is making them rather ill tempered. They really like their low grey skies and that indeterminate season which might be late summer or early winter and which usually prevails for about nine months out of twelve.

As the Englishman says: "Other countries have climate. We have weather."

Hence his ill temper. But soon the wind and the rain will come and England will smile once more.

HOLIDAY FOR HEALTH
AT HIGH POINT
in the Laurentians
LAURENTIDE INN

EXPERIENCED TRAVELLERS
CARRY
MONEY
SAFELY
Canadian Pacific Express
TRAVELLERS CHEQUES

WAR CALLS FOR THRIFT

When the government wartime programme calls for money, be prepared. Be in a position to write your cheque. Have a balance in your savings account constantly growing. Open an account with the Canada Permanent and make deposits regularly and systematically.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $62,000,000

Weston Buys J. R. Booth

From Our Own Correspondent

MONTREAL.—Control of J. R. Booth Ltd., with the exception of its lumber division, has been purchased by W. Garfield Weston, who recently purchased the E. B. Eddy Co.

The change in control takes place August 31, according to J. Gordon Fleck, vice-president and managing director. The purchase price was not disclosed. Mr. Weston will control the company's pulp and paper division, including its subsidiary, Pulp & Paper Ltd.

The announcement said the officers of the company will be:

C. J. BOOTH, chairman of the board; J. GORDON FLECK, president; H. D. HYMAN, general manager; G. C. Winslow, general sales manager.

Company has a newsprint capacity of about 15,000 tons annually. In addition it manufactures a wide range of paper products, including hanging, coating, corrugating, drawing, manila, semi-greaseproof, waxing and writing, bag paper, catalogue paper, envelope paper and other paper specialties. It also manufactures a range of boards.

A new company, Booth Lumber Ltd., has been formed to take over the present lumber Division of J. R. Booth Ltd., consisting of sawmills at Ottawa and Tee Lake, Que., and extensive sawing limits in Ontario and Quebec.

Head office of Booth Lumber will be at Tee Lake, Que., with the following officers:

C. J. BOOTH, chairman of the board; J. GORDON FLECK, president; K. O. ROSS, vice-president and general manager; C. R. DONEY, sales manager.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Pulp and Paper

Paper is Essential—Boren

U. S. Congressional Committee Studies Supply

From Our Own Correspondent

MONTREAL. — Newsprint and print paper is just as essential to the war effort as steel, says Lyle H. Boren, Democrat of Oklahoma, who heads the U.S. Congressional sub-committee under the House Interstate and Foreign Commerce Committee, which made a first hand study of Quebec mills in the St. Maurice Valley, Saguenay, Lake St. John, Quebec and Ottawa River Valley regions this week. The Committee came to Canada as guests of the Canadian newsprint industry.

Members of the group besides Rep. Boren were Representatives Lindley Beckworth, Democrat of Texas; Francis J. Meyers, Democrat of Pennsylvania; Richard F. Harless, Democrat of Arizona; Charles A. Wolverton, Republican of New Jersey and Clarence J. Brown, Republican of Ohio.

"The United States government," said Mr. Boren, "is not interested so much in dividing up shortages, as it is in finding ways and means of increasing production. If production cannot be increased, then we will have to divide up the shortage or find substitutes.

"Our country is facing a serious situation as regards paper products unless a solution can be found. There is a great deal in common between the United States and Canada and we came here to see what are the joint problems of production."

Use Prisoners of War

Already as a result of the work of the Boren Committee, the U. S. selective service has placed the cutting of pulpwood in an essential category.

The use of war prisoners also has been recommended and adopted in the States. For a time there was a question as to whether or not the prisoners could be used for this purpose under the terms of the Geneva Conference, but the State Department ruled that such a move was not in conflict with existing agreements.

(In Canada, the special pulpwood committee of the Canadian Pulp and Paper industry has made a similar recommendation to the Canadian Government.)

Larger Cut Possible

The Committee hopes that as a result of its tour of Canadian mills, it will be able to find ways and means of stepping up production. "If that can't be done," said Mr. Boren, "then it is possible that a much larger cut in consumption than the 10% already in force, may have to be made. This we do not want to see, as the use of newsprint and print paper is essential in maintaining morale and in directly furthering the war effort."

During their stay in Quebec, Committee members visited the St. Lawrence Paper Mills, Canadian International Paper and Consolidated Paper's Laurentide and Belgo mills in the St. Maurice Valley; the Kenogami and Port Alfred mills in the Saguenay; Anglo-Canadian and Ste. Anne mills in the Quebec area; and the Maclaren and Gatineau mills in the Ottawa Valley.

Conferences were held between the committee and representatives of the industry at Montreal and Quebec City, and with officials of the War Production Board of the United States and the Wartime Prices & Trade Board at Ottawa.

International Paper Calls $456,500 Bonds

International Paper Co. has drawn by lot for redemption on Sept. 1, next, $456,500 principal amount of refunding mortgage sinking fund 6% gold bonds, series A, due Mar. 1, 1955. Payment will be made at the option of the holder in Canadian or American funds at 105% of the principal amount, together with accrued interest to date of payment.

A Test of Friendship

Naming your best friend as your executor is no doubt a sincere expression of your esteem for him, but it saddles him with a task which he will find embarrassing to refuse and difficult to perform. The appointment of National Trust Company, with a skilled staff ready to devote its full time to estates in its care, is a wise choice which is certain to have your friend's endorsement and result in the most economical administration of your estate.

Write for our Booklet "Security for your Family"

NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

IN THE SAME WAY that a prize fighter depends on his legs, a modern assault force depends on the speed and skill of the Army Service Corps. Day and night, with danger in the air, under foot and on every side, these fighter-drivers carry troops, ammunition, food, fuel, water and other supplies from base to battle line.

Each member of the Corps is trained to handle his truck or a gun with equal ease; to operate radio equipment; to find his way through strange country by map, by compass, or by the sun and stars. In spite of mud, sand, mines, bombs—these soldiers drive onward with their precious cargoes. Of such men, General Montgomery has said: "They always deliver the goods".

When men of the Army Service Corps meet enemy opposition, they flash into action like "Indian fighters" in covered wagon days (see illustration above). The two lead trucks swing into a road-blocking "V" while fighting men scramble from the "protective vehicle" (Number 3 in a convoy) and pour hot lead from rifles, Brens, sub machine guns, anti-tank or anti-aircraft weapons. With the enemy pinned down, the remaining drivers turn their lorries "on a dime"—and swing around to find some way, *any* way to deliver the stuff with which victories are made.

• • •

Into each of the thousands of military vehicles which roll away from Ford of Canada assembly lines goes the finest work of skilled automotive specialists. The rugged, powerful vehicles are made and tested with the most exacting care—because Ford of Canada workers are determined these Canadian-built machines will distinguish themselves under fire in the expert hands of the fighting Army Service Corps.

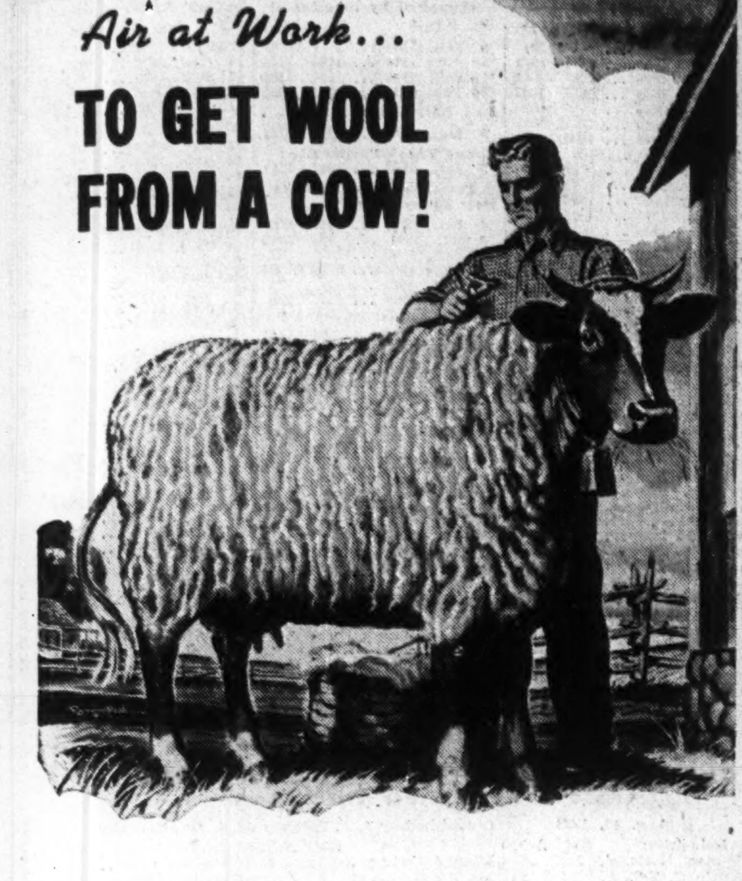
"Canadian Industry must keep open a 'direct line' of communication with the world's battlefronts—so Canadian equipment will continue to increase in battle-worthiness as it increases in quantity."

PRESIDENT.

FORD MOTOR COMPANY OF CANADA, LIMITED
FORD V-8 AND MERCURY CARS FORD TRUCKS, TRACTORS AND BUSES
LARGEST PRODUCERS OF MILITARY VEHICLES IN THE BRITISH EMPIRE

Air at Work...

TO GET WOOL FROM A COW!



HERE'S a thought to make any self-respecting bull sit up and take notice . . . a red blanket made from his own barn mates' milk! It's made possible by another of our industrial miracles, with a name worth remembering . . . ARALAC. This amazing material starts as skim milk, now largely unused except for feeding animals. The milk is transformed into casein, then into a viscous mixture which is forced through tiny spinnerets, emerging as the first man-made protein fibre.

How does "Air at Work" get into this picture? First, because from the seething chemical baths where these fibres are treated as they leave the spinnerets, pungent vapors spurt out—vapors which must be whisked away by Sturtevant Equipment before they can get out into the plant air. Again, in the conditioner that squeezes out and reclaims the chemical remaining in the fibre, rising fumes must be controlled. Finally, to obtain fluffy strands that means improved warmth, softness and crush resistance for countless garments, fibres must be quick-dried with precision blasts of air.

All told, Sturtevant Fans, carefully engineered for the job and specially built to combat corrosion, deliver 7,000 cubit feet of controlled air for every pound of "cow's wool" produced.

HOW MUCH AIR TO MAKE YOUR POST-WAR IDEA COME TRUE?

After the war we will all benefit from the lessons we are learning today. Engineered AIR . . . to ventilate, heat, convey, control dust and fumes, or burn fuel . . . will make the difference between profit and loss for many a post-war venture. Somewhere along the line . . . more efficient, more compact, air handling equipment may pay production dividends for you. Sturtevant's work of yesterday and today will be tremendously helpful in providing the answer.

B. F. STURTEVANT CO. of Canada, Limited

Factory: GALT, ONT. Sales Offices: TORONTO, MONTREAL

Sturtevant TRADE-MARK REGISTERED *Puts Air to Work*

We Have Been Asked . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INVESTMENTS

Clifton Consolidated

Will you kindly supply me with some information regarding Clifton Consolidated Mines?

Clifton Consolidated Mines owns 60% of the capital stock of the Harlin Nickel Mines, and a zinc prospect of six claims in Hanmer Township, Sudbury district, Ontario. It has an authorized capital of two million shares, of which 1,730,000 shares are issued, (400,000 pooled).

Interest at present is centred on the Harlin Mine which has recently shipped its first car of ore to International Nickel. Report on the value of this ore has not yet been received from the smelter, but is expected at any time.

General analysis at the mine is stated to show some ore of 3½% nickel. The car was sorted from material broken down in recent weeks. Little can be said about the commercial possibilities until the results of the shipment are available. Another car, said to be of higher grade, is being prepared.

The mine was a producer some 25 years ago, when it yielded 51,861 tons of ore, of a grade reported at 4.69% nickel, and 0.69% copper.

J-M Consolidated

Would you give me some information on J-M Consolidated Gold Mines, looking to its possibilities as a post-war investment?

J-M Consolidated Gold Mines, an inactive former gold producer, holding 48 claims in the Red Lake division of Ontario. It has an authorized capital stock of three million shares, of which 2.75 millions are issued.

As at Jan. 31, 1942, the company had $2,690 in cash, and $2,959 in supplies, as against $1,646 of accounts payable.

The company has a 100-ton mill on the property which operated intermittently from June, 1934, to Feb., 1940. Production during this time totalled $967,772, from 106,207 tons of ore. A limited exploratory diamond drilling program in 1940 at the No. 1 shaft failed to disclose new ore of importance. Since then all work has been suspended.

Toronto Dairies

Would you give me a report on the financial standing of Toronto Dairies?

We regret to say that no information is available on the present balance sheet position of Toronto Dairies, nor on its profits-making position.

The capital stock of the company consists of an authorized issue of $500,000 7% preferred stock, cumulative, with a ten dollars par value. As at May, 1942, $103,000 was outstanding. There are 50,000 shares of common stock authorized and issued.

No dividends have been paid on the preferred stock since Sept. 15, 1932. No dividends have ever been paid on the common stock.

The company has no funded debt.

Springer Sturgeon

Will you kindly advise us as to the present position of Springer Sturgeon Gold Mines?

Springer Sturgeon Gold Mines is a prospecting and development company with substantial interests in Canadian Industrial Minerals and Leitch Gold Mines. In addition, it holds six other groups of claims, and the shares of several mines, none of which are at present yielding an income to the company.

Springer Sturgeon holds a 92% interest in Canadian Industrial Minerals. The company operates a producing barite property near Walton, N.S. In 1942, to Nov. 12, the company shipped 7,500 tons of barytes to Trinidad. The shortage of shipping, which up until now has been the major difficulty confronting this company, has eased considerably, and shipments during 1943 should be substantially larger. During 1942 the company earned a net profit of $17,082. No dividends have been paid and advances have been made by Springer Sturgeon to the amount of about $156,784.

In recent years almost the entire income of Springer Sturgeon has been from dividends paid on the 408,200 shares of Leitch Gold Mines that the company holds. These payments have amounted to about $32,000 from which a net profit of $26,509, or 1.4c. a share, was realized in 1941.

Development and exploration of the properties of the company have been necessarily curtailed due to the conditions of the war and the expense involved in financing Canadian Industrial Minerals.

INCOME TAX

War Savings Certificates

Each month I have deducted from my salary a stated amount to purchase war savings certificates. Is this money deductible from my income before computing income tax? When these certificates mature and are redeemed, is the interest I receive then, liable for income tax?

The monthly payments you make through salary deductions on war savings certificates are not deductible from income for tax purposes. They are regarded just as any other investments you may make.

The interest or increment you receive when the war savings certificates are redeemed is not regarded as income for tax purposes and therefore not taxable.

Widow Lives Alone

What is the status for income tax of a widow who lives alone but keeps up the same house and establishment as before her husband dies?

If she maintains in her home, a dependent relative she has the status of a married person as regards income tax. Otherwise she will be taxed as a single person.

Fines Not Deductible

I have a small business of my own and recently was fined for not complying with the wartime regulations. Can I deduct the fine from my income as an expense, for tax purposes?

No. Fines are not deductible as an expense.

Say Contingent Sales Illegal

Can't Require Purchase of Plentiful Goods to Get Scarce Items

By STAFF WRITER

OTTAWA. — Contingent buying has now been made illegal by the Wartime Prices and Trade Board. Hitherto the authorities have relied on persuasion to stop the practice of merchants requiring customers in some cases to buy additional goods when supplying some item in short supply.

A few weeks before rationing, many merchants insisted that customers would have to buy a dollar's worth of additional goods before they would sell them a pound of butter. Since that product went on the ration list, other scarce goods such as jams, jellies, salad dressing, children's goods, beverages, etc., have been used as special attractions.

Objective of the WPTB, The Post is informed, is not to encourage the wider selling of scarce goods, but to check unnecessary buying of the other kind. There is no objection to merchants using reasonable judgment in holding scarce lines for regular customers. The practice of keeping such out of sight therefore will probably be continued.

Scarce Items

But there has been very real objection to certain merchants using scarce lines and especially lines which competitors may never have handled, to push the sale of other things. The Board argues that there has been an increasing tendency to impose new conditions on the sale of these scarce goods and in an official statement warned that:

"This is contrary to the general principles of price control and equitable distribution. The Board does not want to prevent a merchant from refusing to sell to casual customers goods in short supply because in many cases this practice assists in maintaining equitable distribution. Typical of such cases would be that of a merchant who retains for his customers who have children goods for which children have special need."

Montreal Stock Exchange and Montreal Curb Market member firms report collateral borrowings of $8.6 millions at the end of last July.

This was practically the same as at the close of the previous month and compares with $5.2 millions as at July 31, 1942.

A National Duty—

AN INVESTMENT OPPORTUNITY

There is no type of investment available in this country which, from the standpoint of security of principal, attractive interest yield and ready marketability, can compare with DOMINION OF CANADA BONDS

Telephone WAverley 3681

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

THE ONTARIO LOAN AND DEBENTURE CO

LONDON, CANADA

Established 1870

DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED

Deposits and Debentures (31 Dec., 1942), $12,389,021

WAR LESSON No. 1

● The biggest lesson learned from this war applies also to individuals. Lack of preparedness put the United Nations on the spot. For the same reason many people are on the spot when big opportunities are offered them. If you are going to be prepared for future opportunities, you must plan your strategic campaign now! The time-tested plan of Investors Syndicate of Canada Limited : : : built to your own specifications, is a scientific way to accumulate a sum with which to take advantage of business opportunity : : : to protect your business : : : or to provide a monthly income when you retire from work. Learn how your dollars today can do *double duty* . . : work for Victory : : : and at the same time build security for yourself. For details, *write to-day!*

INVESTORS SYNDICATE
of Canada Limited
Living Protection... everyman's road, to financial security

Head Office: Winnipeg, Man. Branch Offices in Principal Cities

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

GLASS CONTAINERS. WPTB order A-815, July 17, gives specifications for design and finish to be followed in the manufacture of glass containers and revokes orders A-441, A-472 and A-567. Adm. of Glass and Glass Products, H. R. Harrison.

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SUGAR RATIONING. WPTB order 297, July 20, makes canning sugar coupons valid at any time before Oct. 1. WPTB Chairman, D. Gordon.

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SLAUGHTERING OF LIVESTOCK AND STAMPING OF CARCASSES. WPTB order 296, July 20, A permit is necessary for the slaughtering of livestock except for farmers and stamping of carcasses must be carried out according to the rules in Slaughtering Circular 5. WPTB Chairman, D. Gordon.

• • •

CONDITIONS OF SELLING GOODS AND SERVICES. WPTB order 302, Aug. 2, prohibits certain selling practices. WPTB Chairman, D. Gordon.

• • •

INCANDESCENT LIGHTING FIXTURES. WPTB order A-840, Aug. 5, revokes orders A-401 and A-423 and states that incandescent lighting fixtures must be manufactured according to certain specifications. Effective Aug. 11. Adm. of Electrical Equipment and Supplies, A. L. Brown.

• • •

FLUORESCENT LIGHTING FIXTURES. WPTB order A-841, Aug. 5, gives specifications which must be followed in the manufacture of fluorescent lighting fixtures. Effective Aug. 11. Adm. of Electrical Equipment and Supplies, A. L. Brown.

• • •

CANNED SALMON, SEA TROUT AND HALIBUT. WPTB order A-839, Aug. 6, revokes order A-136 and fixes the highest selling prices of Atlantic Coast canned salmon, sea-trout and halibut on sales by canners, wholesalers distributors and retailers. Effective Aug. 11. Adm. of Fish and Fish Products, A. N. McLean.

• • •

ELECTRIC STOVES AND RANGES. WPTB order A-842, Aug. 6, amends section 5 of order A-701 by stating that only under certain conditions may any one in Manitoba purchase a new electric stove or range. Adm. of Electrical Equipment and Supplies, A. L. Brown.

• • •

CARTONS. WPTB order A-846, Aug. 7, establishes certain rules to be followed in the manufacture and sale of cartons and other goods made from solid fibreboard or corrugated paper. Effective Aug. 12. Adm. of Shipping Cases, F. C. Hayes.

• • •

STOVE PIPE, FURNACE SMOKE PIPE, WARM AIR PIPE AND FURNACE DUCTS. WPTB order A-844, Aug. 7, gives specifications to be followed in the manufacture of stove pipes, etc. Effective Aug. 12. Adm. of Heating, Plumbing and Ventilating Equipment and Supplies, E. J. Laidlaw.

• • •

ICE. WPTB order A-847, Aug. 9, sets maximum prices for ice in the Montreal District. Co-ordinator, Foods Administration, K. W. Taylor.

• • •

CANNED PINEAPPLE PULP. WPTB order A-848, Aug. 10, fixes the maximum prices for sales of canned pineapple pulp by direct importers and non-importing wholesale distributors to other non-importing wholesale distributors and to manufacturers, hotels and restaurants. Adm. of Imported Grocery Items, A. S. May.

PEACHES, PEARS AND PLUMS. WPTB order A-850, Aug. 12, fixes maximum selling prices for fresh peaches, pears and plums and applies to both Canadian grown and imported fruit. Effective Aug. 16. Adm. of Fresh Fruits and Vegetables, E. J. Chambers.

What is CANADA DRY'S Sparkling Water?

It is a super Club Soda. Made to an exclusive scientific formula, it possesses properties not found in ordinary "soda" water. Specially purified water, pin-point carbonation and added ingredients make it the finest of all mixers. Makes any drink better—and better for you.

IT'S *Vitalized:* Pin-point carbonation, Canada Dry's own process, gives it that million-bubble champagne sparkle. Makes drinks livelier—longer.

IT'S *Alkaline:* Special ingredients make it definitely alkaline in reaction.

Livens Flavour: Its million-bubble sparkle steps up the flavour of any drink.

3 SIZES

7 oz. Handy individual size; in 6-bottle cartons
12 oz. Favourite Club size.
30 oz. Economical Family size; makes 8 to 10 long drinks.

SW33

THE WORLD'S LARGEST SELLING CLUB SODA

We regret to report, Gentlemen, that during the month of June your roof leaked . . .

THE chart on the wall tells the rest of the story. A roof failed to cope with the volume of a June downpour and vital production machinery was halted while the resulting water damage was repaired.

In many Canadian plants, a leaking roof would mean *delayed production.* A Murray "Registered Roof" of Built-up Pitch and Gravel is your best insurance against this hazard. Built to exacting specifications, from the finest materials obtainable, every Murray "Registered Roof" is laid under the supervision of a qualified Murray inspector and, as Murray roofs are inspected *in process,* you are guaranteed *uniform* quality.

Prominent plant owners from coast to coast know that Murray "Registered Roofs" give sure protection long after the usual period of guarantee has expired. When considering roofing or re-roofing, follow their example and specify *"Murray Registered."*

YOUR ROOF REGISTERED: The Murray inspector who is on the job when your Murray Roof is being applied compiles a complete report and roof plan for our permanent files. This data is of great value in follow-up inspection service, and in any subsequent work that may be done on your roof. A Murray Roof, at no extra expense, gives you planned, inspected and *registered* security.

B.U.R.-20-3578

MURRAY *Registered* ROOFS OF BUILT-UP PITCH & GRAVEL

Alexander MURRAY & Company LIMITED

MONTREAL • TORONTO • HALIFAX • SAINT JOHN • WINNIPEG • VANCOUVER

Division of DOMINION TAR & CHEMICAL CO. LIMITED. Canada's Largest Manufacturer of Pitch and Creosote. 42-3

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING AUGUST 16

Mining Stocks
WEEK ENDING AUGUST 16

Oil Stocks

Company	Sales	Last	High	Low	Close
Nordon	4,100				
Oil Select	1,000	.04½	.04½	.04½	.04½
Okalta	2,500	.63	.65	.60	.64
Pacalta	15,500	.05½	.05½	.04½	.04½
Pac. Pete	2,200	.40	.41	.40	.40
Royal Can.	2,000	.04	.03½	.03½	.03½
Royalite	251	24.63	25.00	24.63	24.63
South End	23,200	.05½	.06½	.05½	.05½
West Pete.	350	.25	.25	.22	.22
United Oils	1,000	.07½	.08	.08	.08
Vermilata	85,200	.24½	.25	.22½	.24½
Vulcan	2,200	.25	.26	.22½	.26

* Yield including bonus. * Paid in 1942. † Interim paid in 1943.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 17	10,500	12,800	397,000	......
Aug. 16	15,800	16,900	287,000	24,410
Aug. 14	8,100	3,100	224,000	10,170
Aug. 13	20,700	28,500	526,000	19,963
Aug. 12	19,300	24,100	443,000	14,720
Aug. 11	17,200	23,600	609,000	15,574

STOCKS NOT TRADED THIS WEEK

Corporation Bonds
(Supplied by Investment Dealers' Association of Canada)

Supplementary Stock Quotations
(Furnished by Plaxton, McDonnell & Co., Toronto)

Aug. 17, 1943

Miscellaneous Stocks:	Bid	Ask.
Can. Investors	1½	..
Can. Paving 1st pfd.	.55	.90
Can. West. Lumber, c.	3	..
Cawthra Apts. pfd.	5½	..
*Claude Neon 7% pfd.	6½	..
Commer. Life 10% pd.	20½	21½
Eastern Steel 5% pref.	10½	11½
†Easy Wash. 7% pref.	.19	.25
Fed. Fdries & Steel c	.30	.36
Franco Oils	1	..
Highland Dairy, c.	1½	1½
Insce. Exch. Bldg. c.	.08	.15
Milton Brick, com.	1	..
*Monarch Mtge. units	1	..
Nat. Hosiery com.	1	..
Do., pref.	86	..
†Nor. Amer. Elev. 1st pf.	26	..
*Do., 2nd pref.	..	2
Do., com.	1	..
Nor. Telephone, c.	.05	..
Numaque Mining	6½	9
Pacific Coast Terminals	24	26
Que. Pulp & Paper pfd.	1½	4
Ritchie Cut Stone pfd.	20	..
P. L. Robertson Mfg. c.	43	45½
Do., $2.50 pfd.	.75	1.50
Sawyer-Massey com.	97	100
St. John Dryd. 5½% pf.	2	..
Sincennes McN. com.	3½	4
Un. Farmers Co-op.	5½	6½
Waterloo Mfg.	3½	5
York Trading, com.		

*Issue carries arrears.
†Currently paying on arrears.

Drilling Wells

Well:	Drilling depth ft.	Offering price per 1%
Maryland Pete. pfd.	8,723	$4,800
Major Oil No. 6 pfd.	7,870	3,300
Major Oil No. 6 gr.	7,870	6,500

Investment Trusts

	Bid	Asked
Affiliated Funds	3.20	3.50
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.75	4.10
Can. Investors	5.50	6.25
Corp. Investors	6.30	6.80
Trans-Canada	11.15	12.10

Corporation Bonds (Cont'd)

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.96	$12.32	$9.92
Hogs	16.86	16.85	16.38
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2111	.2125	.1941
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	1.10½	1.14¼	.88⅞
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½

Municipal Bonds

Oil Stocks

Madison	...	.03	...	.03
Marjon	...	.01	.01½	.01½
Marvel	...	.01	.01	.04
Mill City	†.03	.06½	.06½	..
Model	†.02	.24½	.25	..
Petrol Oil & Gas	...	.25	..	..
Spooner	...	*.08½	.07½	.10
Sunset	†.02½	.08	.08½	.09
Texas Can.	...	1.75	1.79	..
Vanalta	...	.08	.07½	.08

†Interim paid in 1943.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Shawinigan W.	*4%	1961	Oct. 1	103
Atlantic Utilities	4%	1957	Sept. 1	102
Int. Paper Co.	▲6%	1955	Sept. 1	105
Can. Pac. Rly.	4½%	1946	Sept. 1	100½
Can. Breweries A	5½%	1948	Sept. 15	102
Do., ser. B	5%	1951	Sept. 15	100½
Do.	4½%	1945	Sept. 15	102
Prov. Light	†5%	1946	Sept. 1	105
Hamilton Cotton	4½%	1950	Nov. 1	101½

*$2,224,000. ▲$456,500. †$77,000.

Annual Meetings

1943	Company	Place
Aug. 17	Standard Paving	Toronto
Aug. 19	Canada Linseed Oil	Montreal
Aug. 20	Alberta Pac. Grain	Winnipeg
Aug. 23	York Knitting	Toronto
Aug. 24	Can. W. B. Box	Toronto
Aug. 24	Eastern Dairies	Montreal
Aug. 25	Dom. & Anglo Inv.	Toronto
Aug. 27	City Gas & Elec.	Montreal
Aug. 27	Inter. Milling	Wilmington, Del.
Aug. 30	B. C. Packers	Vancouver
Sept. 2	Agnew-Surpass	Brantford
Sept. 8	Loblaw Groceterias	Toronto

Government Bonds
(Supplied by Investment Dealers' Assoc. of Canada)

Unlisted Stocks
(Furnished by A. J. Pattison Jr. & Co., Toronto)

Unlisted Mines
Toronto, Aug. 17, 1943

Oil Royalties
Producing Wells — Prices and Payments

Arrow No. 1 net	150	170	52.00	
Do., No. 2 net	102	....	....	
Atlas No. 1 net pfd.	420	450	158.00	
Atlas-Br. D. No. 2 net	400	430	....	
Atlas-Br. D. No. 3 pfd.	115	115	52.50	
East Crest No. 5	200	200	94.57	
Independent No. 1 pfd.	200	200	81.88	
Do., No. 1 gr.	95	95	45.20	
Major Oil No. 1 pfd.	95	95	51.20	
Do., No. 1 gr.	320	350	108.00	
Do., No. 2 net	320	350	150.80	
Do., No. 2 gr.	550	588	214.40	
Do., No. 3 net	550	588	291.20	
Do., No. 3 gr.	100	125	....	
Do., No. 4 pfd.	100	125	....	
Do., No. 4 gr.	450	500	227.60	
Do., No. 7 pfd.	450	...	....	
Do., No. 7 gr.	450	500	....	
Do., No. 7 dfd.	165	225	116.00	
Do., No. 8 pfd.	165	225	104.80	
Do., No. 8 gr.	165	225	....	
Do., No. 8 dfd.	320	320	129.60	
Do., No. 9 gr.	320	320	143.60	
Do., No. 9 pfd.	320	320	....	
Do., No. 9 dfd.	300	300	107.98	
Miracle No. 1 net	300	300	148.61	
Do., No. 1 gr.	160	200	87.04	
Do., No. 2 pfd.	160	200	75.86	
Do., No. 2 gr.	...	...	....	
Miracle No. 3 pfd.	...	...	....	
Do., No. 3 gr.	...	...	....	
National Vulcan	...	...	....	
Twin City No. 2 gr.	200	...	....	

* Approximately 25% over dealers' bid price.
§ Approximate ‡ April payments.

Wheat Prices

Winnipeg Grain Futures

Cash Quotations

Significant Investors' Index Numbers

Toronto Stock Exchange Index

Montreal Stock Exchange Averages

Dividends Declared

	This payment $	Date payable	Date of record
[..]-Can. Tel. "A"	.15	Sept. 1	Aug. 10
[..] of Can., pfd.	1.25	Nov. 1	Oct. 1
[..]inium	2	Sept. 5	Aug. 12
[..], pref.	†1.50	Sept. 1	Aug. 5
[..]w Surpass	.40	Sept. 1	July 31
[..], extra	.20	Sept. 1	July 31
[..], pref.	1.75	Oct. 1	Aug. 31
[..]stos	.20+.10	Sept. 30	Sept. 1
[..] Gold	.05	Sept. 1	Aug. 6
[..]e C. Nat.	1.50	Sept. 1	Aug. 14
[..] of Montreal	1.50	Sept. 1	July 31
[..] of Nova Scotia	2.50	Oct. 1	Sept 15
[..] of Toronto	2.50	Sept. 1	Aug. 14
[..] S. Mills	.10	Sept. 15	Aug. 13
[..] Pr.&P. A	.25	Sept. 1	July 30
[..] Cort.	1	Oct. 1	Aug. 31
[..], pref.	1.75	Oct. 1	Aug. 31
[..]n Co.	†.30	Sept. 1	Aug. 4
[..] Packers	.75	Sept. 15	Aug. 31
[..] T. G. pf.	1.50	Sept. 15	Aug. 31
[..] Crush. Stone	.10	Sept. 15	Sept. 1
[..] Dom. Sugar	.20	Sept. 1	Aug. 14
[..]da Dry	†.15	Sept. 9	Aug. 26
[..] Foundries A	.37½	Sept. 15	Sept. 1
[..]da Malting	.50	Sept. 15	Aug. 16
[..] Nor. Power	▪.15	Oct. 25	Sept. 20
[..], pref.	▪1.75	Oct. 15	Sept. 20
[..] Vinegars	.10	Sept. 1	Aug. 16
[..] W. & C. C.A.	1.00	Sept. 15	Aug. 31
[..]o., C.B.	.25	Sept. 15	Aug. 31
[..]o., pf.	1.62½	Sept. 15	Aug. 31
[..] Food Prod.	.50	Oct. 1	Sept. 15
[..] Industries	1.25	Oct. 30	Sept. 30
[..]o., 7% pf.	1.75	Oct. 30	Sept. 30
[..] Gen. Elec.	2	Oct. 1	Sept. 13
[..] For. Invest. c.	▪1.30	Nov. 1	Oct. 1
[..] For. Inv., pf.	▪2	Oct. 1	Sept. 1
[..] Int. Inv. Tr., p.	.50	Sept. 1	Aug. 2
[..] Breweries, pf.	.85	Oct. 1	Aug. 16
[..]al Wire	.38	Sept. 1	Aug. 12
[..]ral Patricia	.03	Sept. 30	Aug. 31
[..]moil	.00½	Aug. 23	Aug. 7
[..] Bakeries, pfd	1.25	Sept. 1	July 31
[..]umers Glass	.50	Aug. 31	July 30
[..]r. Paper Box, pd.	1.75	Sept. 1	July 31
[..]y Corp.	1.25	Oct. 1	Sept. 15
[..] Foundries. p.	1.50	Sept. 1	Aug. 10
[..]inion Bridge	.30	Aug. 25	July 31
[..] Env. pf.	1.75	Sept. 1	Aug. 20
[..] Scot. Inv. pf.	.50	Sept. 1	Aug 2
[..]inion Stores	.10	Sept. 20	Aug. 25
[..] Electric	.25	Sept. 15	Aug. 31
[..]tern Steel	.25	Sept. 1	Aug. 14
[..]eral Grain, pf.	2.00	Sept. 1	Aug. 20
[..] St. Wares c.	.25	Sept. 20	Aug. 23
[..]m. Cotton, pfd.	.50	Oct. 1	Sept. 15
[..]lnor Mines	.10	Sept. 1	Aug. 6
[..]dson's Bay, ord.	4%	+1½%* ‡	July 21
[..]perial Tob.	.10	Sept. 30	Sept. 14
[..]o., pf.	3%	Sept. 30	Sept. 14
[..]perial Varnish	.12½	Sept. 1	Aug. 20
[..]o., pref.	.37½	Sept. 1	Aug. 20
[..]er City Bak. c	.75	Sept. 30	Sept. 14
[..]er. Bronze	.20	Oct. 15	Sept. 15
[..]o., pf.	.37½	Oct. 15	Sept. 15
[..]er. Nickel, com.	†.50	Sept. 30	Aug. 31
[..]est. Found.	.75	Oct. 15	Sept. 15
[..]r Lake Mines	†.05	Aug. 20	Aug. 5
[..]r Addison G.	.05	Aug. 28	July 30
[..]ke Shore Mines	.20	Sept. 15	Aug. 16
[..]maque Gold	.10+.10	Oct. 1	Aug. 31
[..]gley's pref.	▪.50	Sep. 11	Sep. 3
[..]o.	▪.50	Dec. 11	Dec. 3
[..]e of Woods M.	.30	Sept. 1	Aug. 2
[..]o., pref.	1.75	Sept. 1	Aug. 2
[..]ura Secord	.20	Sept. 1	Aug. 2
[..]blaw Groc. A.B.	.25	Sept. 1	July 30
[..]blaw Groc., Inc.	†.25	Sept. 1	Aug. 14
[..]laren Pwr.	.25	Aug. 31	Aug. 14
[..]Kenzie Red L.	.02½	Sept. 17	Sept. 1
[..]ntreal Loan	.31¼	Sept. 15	Aug. 31
[..]sey Harris pfd	.62½	Sept. 15	Aug. 14
[..]ntyre Porc.	.55½	Sept. 1	Aug. 2
[..]t. Cottons 7% p.	1.75	Sept. 15	Aug. 16
[..]t. Cottons, c.	1.00	Sept. 15	Aug. 16
[..]n Products	.30	Aug. 28	Aug. 14
[..]gara W. Weav.	.25	Oct. 1	Sept. 8
[..]anda Mines	1	Sept. 15	Aug. 13
[..]rthwest Util. p.	1.50	Sept. 1	Aug. 26
[..]. Light & Pr., p.	1.50	Sept. 1	Aug. 14
[..]lvie Flour	.25	Oct. 1	Aug. 30
[..]o., pref.	1.75	Sept. 1	July 30
[..] Steel Prod.	.25	Nov. 15	Oct. 15
[..]o., pref.	1.75	Nov. 15	Oct. 15
[..]awa Elec. Rly.	.50	Oct. 1	Sept. 1
[..]awa L. Pr.	.15	Oct. 1	July 9
[..]o., pref.	1.25	Oct. 1	July 9
[..]on Manfg Co.	1	Sept. 15	Aug. 31
[..]o., pref.	1.75	Sept. 15	Aug. 31
[..]ron Gold	▪.02	Sept. 30	Aug. 31
[..]prietary Mines	.05	Sept. 8	Aug. 9
[..]vincial Bank	1.25	Sept. 1	Aug. 14
[..]wer Corp., pfd.	▪1.50	Oct.15	Sept. 20
[..]o., 2nd pfd.	▪.75	Oct. 15	Sept. 20
[..]ebec Power	.25	Aug. 25	July 23
[..]ent Knit., pfd.	.40	Sept. 1	Aug. 2
[..]o.	.40	Dec. 1	Nov. 2
[..]liance Grain, p.	1.62½	Sept. 15	Aug. 31
[..]o., pref.	1.50	Sept. 1	Aug. 16
[..]yal Bank	1.50	Sept. 1	July 31
[..]ond Cdn. It. Iv., p.	.10	Sept. 1	Aug. 14
[..]ond Cdn. It. Iv., c.	15	Sept. 1	Aug. 14
[..]coe Gold	.01½	Sept. 15	Aug. 12
[..]art, D. Oil, pf.	20+25	Sept. 1	Aug. 14
[..]awinigan W.	.23	Aug. 25	July 23
[..]erwood D.	.20	Oct. 1	Aug. 31
[..]o., pref.	.20	Oct. 1	Aug. 31
[..]th Can. Pwr. pd.	▪1.50	Oct. 15	Sept. 20
[..]nd. Fuel, pfd.	1	Oct. 1	Sept. 15
[..]o., arrears	1	Oct. 1	Sept. 15
[..]dman	.15	Oct. 1	Sept. 20
[..]o., pf.	.75	Oct. 1	Sept. 20
[..]set Oils	▪.01	Sept. 15	Sept. 1
[..]k-Hughes Gold	▪.10	Oct. 1	Aug. 31
[..]burn Gold	.01	Aug. 23	July 22
[..]k-Hughes	▪.10	Oct. 1	Aug. 31
[..]ited Grain, A	1	Sept. 1	July 31
[..]o., B	.25	Sept. 1	July 31
[..]ited Fuel A	.75	Oct. 1	Sept. 10
[..]per Can. Mines.	.02½	Aug. 28	Aug.14
[..]ite Amulet	.20	Sept. 10	Aug. 10
[..]-Hargreaves	.07½	Oct. 1	Aug. 26
[..]lker H. Good	1	Sept. 15	Aug. 13
[..]o., pref.	.25	Sept. 15	Aug. 13
[..]ston Geo., c.	.20	Oct. 1	Sept. 4

†N. Y. funds. ▪Subject to approval of [Fo]reign Exchange Control Board.

*Distribution from land sales account; [no]t subject to income tax.

‡Payable date to be announced later.

Winnipeg Wheat Markets

Crop Outlook is Brighter

Freight Difficulties Hamper Movement of Grain

From Our Own Correspondent

WINNIPEG.—On the whole the western crop is better than was the case two and three weeks ago. Estimates of production tend to be slightly more optimistic. Actually no close estimate is possible for, while some of the early crop has been cut and some threshing accomplished, other crops have one, two or three weeks to go to harvest. New crop money is going to make much less difference to business conditions than usual.

Because of the congestion of country elevators farmers will only very slowly get such money into their hands for spending or for payments on debts. That fact will, to an important extent, be offset by old crop money which has been coming into farmers' hands right up to the present and in some places will still be coming up to the end of the month.

Crop Money Returns

The storage situation has brought about a condition in which crop money is realized fairly regularly throughout the year, instead of all at once in the fall, as used to be the case. Getting on to such a basis, a process which began in 1940, was quite a strain. To continue it is much easier.

Credit Conditions Changed

Credit institutions will have to take the changed conditions into their calculations. Recently some of them have been congratulating themselves on the unusually heavy rate at which remittances were being received during June and July. There was reason for satisfaction. But it must be tempered by the knowledge that there can be no fall rush of payments, such as used to be expected by all institutions which have lent money or extended credit in the West. Money from livestock and poultry is not only in much greater volume than formerly, but, like the money from grain, is also coming in much more regularly.

U. S. Buys Wheat

Active purchasing is in progress for a large quantity of wheat to be shipped from elevators in western Canada to the United States for feed in Mountain and Pacific Coast states. Estimates have been made that the Commodity Credit Corp. of the U.S. which, it is understood, is back of these purchases, may buy 25 million bushels of wheat for this particular purpose. Unfortunately, although both buyers and sellers are willing, transportation difficulties are in the way.

One problem arises from the fact that freight tariff-makers had never anticipated or provided for such movements. To look at the map, the simple and logical thing to do appears to be to ship such grain direct all-rail. From the freight rate standpoint, however, some points where wheat is wanted can be reached more cheaply first by shipping the wheat to Fort William, then by boat to Duluth, and by rail west from that point. Boat space, however, is scarce, and, in addition, no one wants to ship wheat to the lakehead for such a purpose.

Nor can it be shipped to and through lakehead terminals fast enough just now to satisfy demands for eastern shipment. Some grain can doubtless be moved by barges from Vancouver and Victoria terminals to Seattle for distribution from that point. A considerable part, however, will have to go by the all-rail route from country elevators, even when that is nominally the more expensive way. That is, provided railway cars can be obtained for its movement, and these will have to come from railways in the U.S.

Canadian railways already are using all cars they can spare for grain movement in traffic to the lakehead. Time, of course, provides one factor of safety to prevent such business from being lost on account of railway difficulties. Such a quantity of feed grain is not needed all at once, and shipments can be extended over a considerable period. Quite possibly business may be booked now for shipments to extend over a period of months.

La Luz Profit Works Higher

An estimated net profit of $196,614 was realized by La Luz Mines in the three months ended June 30, 1943, compared with $139,153 for the previous three months.

The higher profit reflected reduction in operating charges as bullion production at $647,974 was only about $13,000 higher than in the immediately preceding period. Tonnage of ore milled showed an increase from 90,531 to 91,004 tons.

Capital expenditures and money spent on development of strategic minerals showed a sharp reduction. A total of 111,007 was spent in the June quarter compared with $324,985 the March quarter.

Canadian Car & Foundry's new preferred stock has been listed on the Montreal and Toronto stock exchanges. New shares are being exchanged share for share with the old preference shares, with the additional payment of $2.55 a share in cash. A preferential dividend at the rate of $2.10 a year is to be paid on the new stock. The exchange may be made on or after Aug. 16 at the company's head office. The old shares will, in the meantime, remain on the list and will sell cum distribution.

The Business Of Farming

By GORDON L. SMITH

A nasty situation is shaping up in the generally fine farming districts of central and western Ontario. For the first time in many years it looks as if spring grain will be a general failure. Seeding, of course, was very late, and following this poor start came too much rain, weak growth and finally rust and storm damage. Much of the crop will hardly be worth cutting. Fortunately there has been a good hay crop and second growth clovers have also done well.

But the grain shortage is going to be serious, and especially as there is so much congestion in railway and lake shipping that it is going to be exceedingly difficult to get extra feed supplies down from the West. Under the circumstances it is extremely doubtful if eastern farmers will be able to feed all livestock and poultry on hand and in consequence a serious falling off in meat, egg and dairy production is feared.

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Price Snags

There is some uneasiness that the recent maximum price set-up for peaches, plums and pears may prove to be too complicated. The plan, as announced by WPTB the other day, is believed to be a compromise, but perhaps a none "too" satisfactory compromise at that.

It is no secret that considerable pressure was brought to bear on the price authorities. On the one side were the growers anxious to get bottom price if a ceiling were going to be put on. On the other side were the consumers who protested long and vigorously against the high fruit prices which prevailed early this season.

One observer very close to the general situation told the writer that much trouble could have been avoided if the authorities had decided to simplify things more. This informant would have announced a ceiling price only for the various kinds of fruit and would not have attempted to distinguish between varieties or grades. He would have made this ceiling high enough to cover poor years and also most imports. Such a ceiling would have satisfied the growers and only when lines were abnormally short would top figures have been reached. As for big crops and lower grades these would naturally have fallen to their own level. Trying to fix prices for imported fruit or to enforce a floor price, he argued, was playing with dynamite.

With a single high ceiling farmers would have been encouraged to produce all they could. Then in the event of a big yield—and in a few lines of fruit there will be big yield even this year—the government would not have been obligated to take anything off the grower's hands.

"The trouble with fruit," this informant explained, "is that it is highly perishable and almost the only method of disposing of abnormal surpluses is to let prices drop."

Dairy Outlook

In the 1943 production goals fixed for Canadian agriculture last fall an increase of approximately 6% was asked for whole milk, the base product of the entire dairy industry. In the major lines the authorities asked for a fair increase in butter, no change in cheese and a slight gain in fluid milk which is used for direct consumption in towns and cities.

So far actual production is not fitting too well into the desired pattern, though there has been some recent improvement. In the first place, total whole milk production began to show a falling-off from a year ago instead of the 6% gain desired. In June the downward trend was corrected with a slight gain over the same month a year ago. July figures are not announced yet but the slight gain may have held.

Butter, instead of increasing moderately, jumped ahead, but cheese fell off sharply. July saw some improvement here with butter still gaining, though more moderately and some pick-up in the sharp loss suffered by cheese.

At present it looks as if there will be little if any gain in whole milk production for the whole year, more gain than expected in butter and a considerable loss in cheese. That being the case and the consumption of fluid milk still increasing, the end of the year will find us with an easier butter situation than a year ago, a real shortage of cheese, if we are to maintain our high export quota, and probably a slight shortage of fluid milk.

Return of Droughts?

Dry weather in certain areas of Southern Alberta and Saskatchewan this summer has seriously reduced western wheat prospects. As against the bumper 580-million-bushel harvest last season, something well short of 300 million is now expected.

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The rather drastic change has aroused fears in some quarters that a return of serious drought conditions to the Prairies is on the way. Close observers of the situation, however, are not pessimistic. They do not believe there has been any basic change in weather conditions, but simply that the rain this season did not come at the right time. It arrived, but too late, to save crops badly parched in June. Strictly speaking, they claim, there has been no real drought and no repetition of the cycle of 1933-39 is to be expected.

That cycle, of course, was by far the worst in the history of living man. There had been previous droughts of a year or two but nothing much longer.

Accurate weather records, of course, are not available, but apparently away back in the last century there occurred a dry period comparable to the one which ravaged the West a few years ago. There is some remote proof of a similar visitation about a century earlier. Most observers seem to agree that this is about as often as any 5-year dry period can be expected.

Cotton Operations Still Downward

July failed to show the usual seasonal upswing in the number of bales of cotton opened by Canadian mills. According to the Cotton Institute of Canada, 34,683 bales were opened last month. This compares with 36,781 in the previous month. The returns also are the lowest for any July since 1939 and were over 7,000 bales less than in July last year.

Index of mill activity at 148.4 was the lowest of any month since Aug., 1941.

Paper Supply Lags In U.S.

Orders Higher, But Output Down — Pulp and Wood Deliveries Lower

From Our Own Correspondent

MONTREAL.—Orders received by the United States paper and paperboard industries during the first half of 1943 totalled 8.2 million tons as against an output of less than 7.8 million tons, while unfilled orders at the end of the period aggregated 1.2 million tons, or nearly double what they were a year ago.

Indications are the industry is slipping in its ability to meet demands, unfilled orders being 559,000 tons, or 89.2% in excess of unfilled orders at the end of June, 1942. Moreover, production in the first half of last year exceeded orders received by 700,000 tons.

The overall picture as regards paper and paperboard production, orders received and orders unfilled, is set out below:

How Production Stands
(Excluding Building Papers)

	Production 1943	Production 1942	Orders 1943	Orders 1942	Unfilled Orders 1943	Unfilled Orders 1942
	Thousands of Tons					
Jan.	1,247	1,542	1,331	1,522	899	1,174
Feb.	1,210	1,391	1,278	1,319	971	1,122
Mar.	1,377	1,501	1,476	1,410	1,077	1,037
Apr.	1,328	1,449	1,383	1,280	1,115	896
May	1,330	1,349	1,360	1,138	1,143	736
June	1,290	1,205	1,362	1,069	1,184	626
6 mos.	7,780	8,437	8,190	7,738		

The wood pulp industry also is slipping in respect to its ability to meet demands. For the first half of 1943 production totalled 4.5 million tons, or 1 million tons less than for the like period a year ago.

Taking imports into consideration, pulpwood receipts in the United States for the first six months of 1943 totalled 6,575,000 cords compared with 8,356,000 cords for the first half of 1942, a decrease of 21.3%.

During the first half of 1942 pulpwood receipts and consumption were practically equal, whereas in 1943 consumption exceeded receipts by 873,000 cords, or 13.3%.

Between Jan. 1 and June 30, 1942, says the American Paper and Pulp Association, shrinkage in pulpwood inventories was practically nil while, on the other hand, over the like period of 1943, inventories decreased 904,000 cords, or 27.8%.

Travelling Truck Caravans Feature Postwar Products

From Our Own Correspondent

MONTREAL.—Some of the things being planned for the postwar world will be shown to Canadians by means of a travelling exhibition, which is being sponsored jointly by the Association of Canadian Advertisers and the National War Finance Committee.

The exhibit itself may take the form of two caravans of trucks, one travelling east and one west from Toronto and Montreal with a schedule of visits to 25 or more Canadian centres. During the exhibition's stay in each city, local arrangements will be under direction of the local War Finance Committee which will co-operate with civic officials, local organizations and businesses to stage postwar planning weeks. The exhibits themselves will be installed in local auditoriums or department stores.

Ellwood Hughes, general manager of Canadian National Exhibition, is a member of the advisory committee and will handle the display after construction has been completed.

Ready in Six Months

Preliminary work on designing the exhibition has already been done and it is expected the two units will be complete and ready to start on the road in about six months time.

Interest of the War Finance Committee in the project is in development of public desire to hold and increase holdings of Victory Bonds and War Savings Certificates in order to be able to purchase the goods and services that industry will make available after the war.

Preliminary work on designing the exhibits and preparation of display plans has been carried out under the direction of B. W. Keightley, chairman of the Postwar Planning Committee of the A.C.A. This committee will obtain and prepare the necessary information from industry on postwar products and services.

Redfern Takes Management Of Toronto Shipbuilding

Management of the Toronto Shipbuilding Co. of Toronto has been taken over by the Redfern Construction Co., according to official announcements by both C. R. Redfern, president of the Redfern Construction Co., and Gordon C. Leitch, president of Toronto Shipbuilding.

The company, formerly known as the Dufferin Shipbuilding Co., was renamed the Toronto Shipbuilding Co. when the Dominion Government in 1941 took over the interests of James Franceschini, of which it was a part.

According to notices posted in the shipyard, the new management instructed all department heads and foremen to continue in their present capacities and all employees to carry on at their regular posts.

Saving Fuel

Efficient Coal Use Can Help

Officials Estimate Money and Coal Savings Important

Improvement in actual use of coal in heating and steam-producing plants in Canada has already resulted in savings of upward of 100,000 tons of coal each year, Munitions and Supply officials announce. This figure applies to coal imported from the United States and it is pointed out that many thousands of tons of Canadian coal are also being conserved.

A beginning has been made but much further progress can still come, states coal controller E. J. Brunning.

"Thousands of factories, office buildings, warehouses, hospitals, churches, schools and other large buildings are wasting coal. If the owners were to call in competent technical men and follow sound advice in the matter of installing modern equipment and in operating their plants efficiently, they would save themselves many hundreds of dollars every year, and would be doing a patriotic service."

The eastern division of one large railway through a survey of stationary plants recently, found that a saving of 50,000 tons a year could be achieved and changes to make these effective are now being carried out.

In Guelph, a manufacturer of hardware expects to save 600 tons of coal annually out of a previous consumption of 1,400 through modernizing of a heating system.

At Milton, Ont., installation of a new, more efficient boiler by a brick firm is expected to mean use of only one quarter of a ton of coal daily instead of one and one half tons. The same plant is making arrangements to utilize waste heat from the kilns and achieve an additional saving of seven tons a day.

A Toronto hospital found that a 12% fuel saving can be accomplished by training nurses and other staff to keep windows from being unnecessarily open. The same means has been responsible for a heating equipment company achieving a 13% saving in its fuel. A canning factory at Dresden, Ont., expects a 22% saving through installation of automatic coal stokers, while the same installation to an acid manufacturing firm in Hamilton should mean a saving of 300 out of 1,500 tons of coal previously used yearly. A pipe manufacturing firm at Welland, Ont., through use of boiler economizers, is to save 5,000 tons of coal a year, or 18% of its consumption.

Mining Concentrates

Nipissing Mines is reported still carrying on negotiations with the U.S. Government for funds for development of the Croton iron deposits in the State of New York in which the company holds a 50% interest.

Sawbill Lake Mines, which acquired the property formerly held by Upper Seine Mines, is reported contemplating plans for a program of exploration. Upper Seine shareholders have no equity, Sawbill acquiring the property from the Upper Seine trustee in bankruptcy.

Algoma Copper Mines hopes to commence shipment of high grade copper ore from its property this month, it is stated. Ore will be shipped to International Nickel Co. for refining. It is reported to carry better than 10% copper in certain sections where exploration has been carried out.

Red Rose Tungsten, B. C., producer of Consolidated Smelters located near Hazelton, is treating 75 tons of ore daily. It is reported to be the largest producing tungsten mine in Canada at the moment but the Emerald property, to produce shortly, is expected to be larger.

Maritime Tel. & Tel. Continues Record Pace

Maritime Telegraph & Telephone Co. reports stations installed at the end of June totalled the all-time record of 57,743, a net increase of 397 during the month. The Island Telephone Co., a wholly owned subsidiary, reported 5,306 stations, an advance of 45 during June.

Long distance toll traffic handled by the system in June totalled 229,010 completed calls. This shows an increase of 28,767 calls over the like month last year.

Ranchman Drills Two New Wells

Two wells, Snider No. 1 and Bird No. 1, are at present being drilled on the property of New Ranchmen's Oil in an advance development campaign. The successful completion of these wells would open up a considerable area for further drilling, the company reports.

Drilling on the Snider well, which is being done on Aldersyde structure, is down to 1,770 ft. and the Madison limestone objective is expected to be reached at 8,200 ft. The drill contract has been let to Messrs. Hewell & Chandler and is on a turnkey basis.

The Bird well is now bottomed at 7,240 ft. The well has logged satisfactorily and has encountered 12 gas and 6 oil showings, it is reported. It is to be carried to 7,500 ft.

The new structure is approximately 13 miles east of Turner Valley, and eight thousand acres of it are controlled by New Ranchmen's. Recently completed negotiations have resulted in the private underwriting of the company's securities to supply a maximum of $125,000.

Investors Synd. Hearing Delayed

Court hearings on charges of the Securities & Exchange Commission against Investors Syndicate and associated U. S. firms has been deferred from Aug. 30 to Oct. 5, The Financial Post is informed by the Toronto office of Investors Syndicate of Canada, a subsidiary of the American organization. The Canadian organization is not directly concerned in charges made by the S.E.C.

Deferment of the hearing date is stated to have been granted at the request of the company to give time for preparation of its case.

The Toronto office of Investors Syndicate of Canada states that the Canadian company requests for loans and surrenders of contracts have been "low to subnormal" with none recently at the Toronto office.

DIVIDEND NOTICES

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of one and a half per cent (1½%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August, 1943. This dividend, bearing the number 210, will be payable at the Main office or at the branches of the Bank, on or after the 1st day of September, 1943, to the shareholders of record on August 14, at noon.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

RELIANCE GRAIN COMPANY LIMITED

6½% CUMULATIVE PREFERRED STOCK

A DIVIDEND of one and five-eighths per cent (1⅝%) per share, being the dividend for the quarter ending August 31, 1943, is hereby declared and authorised to be paid on September 15th, 1943, to all preference shareholders of record with the Transfer Agents of the Company at the close of business on August 31, 1943.

By order of the Board,
A. W. GIBB, Secretary.
Winnipeg, August 5, 1943.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Prefered Stock

No. 75, quarterly, $1.75 per share, payable October 15th, 1943.

No par value Common Stock

No. 57, quarterly, 15c per share, payable October 25th, 1943, to holders of record at the close of business September 20th, 1943.

L. C. HASKELL, F.C.I.S.,
Secretary.
Montreal, July 27th, 1943.

General Steel Wares Limited

DIVIDEND NOTICE

Notice is hereby given that an Interim Dividend of Twenty-five Cents (25c) per share, on the No Par Value Common Stock of the Company, has been declared, payable on the 20th day of September, 1943, to Shareholders of record at the close of business on the 23rd day of August, 1943.

By order of the Board,
FRANK S. BROPHY,
Secretary.
Montreal, August 14th, 1943.

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)
DIVIDEND NO. 27

Notice is hereby given that a quarterly dividend amounting to 2½ cents per share for the third quarter of 1943 has been declared payable September 17th, 1943, to Shareholders of record at the close of business September 1st, 1943.

By order of the Board,
H. M. ANDERSON,
Secretary-Treasurer.
Toronto, Ontario, August 17th, 1943.

DIVIDEND NOTICES

[I]mperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE is hereby given that an [In]terim Dividend (No. 154) of ten [ce]nts (10c) per share on the paid-up [O]rdinary Shares of the Company has [b]een declared payable on Thursday, [th]e 30th day of September, 1943, to [s]hareholders of record at the close of business on Friday, the 27th day of August, 1943.

A Semi-Annual Dividend (No. 63) of [th]ree per cent (3%) on the paid-up [P]reference Shares of the Company has [b]een declared payable on Thursday, [th]e 30th day of September, 1943, to [s]hareholders of record at the close of [b]usiness on Friday, the 27th day of August, 1943.

By Order of the Board,
A. L. ROBERTSON,
Secretary.
Montreal, P.Q.
[1]3th August, 1943.

Central Patricia Gold Mines, Limited

DIVIDEND NO. 29

A dividend of 3c. per share has been declared by the Directors on the capital stock of the company, payable the 30th day of September, 1943, to shareholders of record at the close of business on the 31st day of August, 1943.

Dated at Toronto this 14th day of August, 1943.

By order of the Board,
ALAN COCKERAM,
Secretary-Treasurer.

DIVIDEND NOTICE

[E]nglish Electric Company of Canada, Limited

CLASS "A" SHARES

Notice is hereby given that the Board [o]f Directors have declared a dividend of [t]wenty-five cents (25c) per share on the [o]utstanding Class "A" shares of the Com[p]any, payable September 15th, 1943, to [s]hareholders of record at the close of [b]usiness on August 31st, 1943.

AUBREY MUNDY,
Secretary.
[A]ugust 12th, 1943.

TORONTO ELEVATORS LIMITED

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MASTER FEEDS
LINSEED & SOYA OILS

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SARNIA ONTARIO

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Mining

Malartic Gold Mine Promising

Opens Ore Quickly In Its West Area

From Our Own Correspondent

MALARTIC — Impressive lengths of ore have been opened up in recent months by underground work at Malartic Gold Fields in its No. 2 or west shaft area, confirming surface drilling indications that this section possesses major mine-making possibilities and tonnage chances greater than the No. 1 or "main" shaft area which has been the production shaft in the past.

Development work on the three levels of the west shaft area has been necessarily slow but drifting has been persistently in ore and at the second level in excess of 4,000 tons of ore have been exposed to the vertical foot by drifting and transverse drilling with an indicated average grade of better than 0.25 oz. gold per ton.

Four Structures Opened

Four ore structures—the P, Q, T and R—have been opened up from south to north on the second level and the ore disclosures in them to the east and west of the shaft crosscut have been:

Ore body:	Ore Length East ft.	West ft.	Total length ft.	Aver. wid. ft.
"P"	250	150	400	20
"Q"	250	300	550	10
"T"	100	300	400	20-25
"R"	50	400	450	15-20

Surface drilling and first level results indicate a further extension of 500 ft. to the west to be opened up at the second level and a long extension also remains to be explored to the east. Drilling has indicated a wide lens to the east of the shaft on the extension of the T and R bodies. A similar body is indicated in preliminary drilling to the west and north of the R ore body. Big ore widths have been intersected to the south and west of the P ore body.

The many indications of ore suggest that the surface drilling estimate of 6,000 tons of ore to the vertical foot for the west mine is well on the way to attainment.

A factor of pronounced importance has been the grade indicated in the second level advance. The P ore body has graded 0.36 oz. gold to the west from car sampling. Q body grade is indicated at 0.25 oz. for the entire 550 ft. of ore length. T body shows an indicated grade of 0.30 to 0.35 oz. gold per ton. An average grade of 0.40 oz. to 0.45 oz. is indicated for R ore structure.

Third level development is not as far advanced as that at the second level but shows similar ore structure to the first and second levels. P ore body has been opened up for 50 ft. west and 100 ft. east; Q body for 300 ft. west and 250 ft. east with cars running 0.25 oz. over drift width. T body has been picked up in two drill holes showing widths of 25.5 and 46.6 ft.

Completion of further work on the second and third levels should allow an estimate of ore for the west mine.

In the original mine workings, the system of ore bodies has been found to continue to depth with tonnage running in the neighborhood of 1,400 tons to the vertical foot of 0.20 oz. grade. The haulage way between the two shafts at the 1,200-ft. level remains half complete due to inability to secure sufficient labor to finish it.

Tonnage milled showed a decline the second quarter to 662 tons from 700 tons the first quarter due to labor shortage. With lower output and fairly heavy development, net profit for the first six months was only $151,636. If a larger tonnage of ore could be milled (mill capacity is 1,000 tons daily), a much more satisfactory profit showing would undoubtedly be possible. Mine ore showings suggest a mill capacity of 2,000 tons a day would be feasible after the war.

Mining Company Reports

Sherritt Gordon

With mill operations at only 67.5% capacity during the quarter ended June 30, 1943, Sherritt Gordon Mines earned a net profit before write-offs of $149,745, down approximately $8,000 from the earnings of the second quarter of 1942.

A report issued by E. L. Brown, general manager, states that during the quarter 40% of the stopes of both east and west mines were idle. This made it impossible for the company to carry out its contract for the shipment of copper concentrates to the Metals Reserve Co. Normal development was curtailed during June to maintain even such output as was produced. Loss of men during the month reached a net figure of 64, with 119 leaving work and 55 obtained through Selective Service. No improvement in the situation is expected before late fall, when some winter help from western farmers is hoped for.

Diamond drilling in the Michipicoten Area was discontinued, the report states, after a total of 28.6 million tons of siderite had been proved up on the Ruth property. At the Josephine Mine underground development work was continued throughout the period, revealing, it is stated, an ore body considerably larger and of better grade than was indicated by surface diamond drilling.

Other developments include the extension by diamond drilling of the ore body previously located at Strawhat Lake, the making of final payment on the lithium deposit at Herb Lake, and the carrying out of assessment requirements on certain claims by a prospecting party working in the Granville Lake area.

Earnings Statement—3 Months Ended June 30

	1943	1942
Metal sales	$826,977	$889,648
Less: Oper. expenses	671,437	725,269
Oper. profit	155,540	164,379
Add: Other income	2,820	3,455
Net earnings	158,360	167,834
Less: Taxes	8,615	10,000
Proft before write-offs	149,745	157,834
Capital expendit.	$143,764	$89,817

Sheep Creek

With lower net profits both from its gold mine and from its subsidiary, Zincton Mines, Charles E. Marr, president of Sheep Creek Gold Mines, reports that the outlook for dividends is not favorable. It had been hoped, the president states, that Zincton would materially augment earnings available for dividends, but taxes promise to be much higher than anticipated (54% to 67% of base metal earnings), while labor shortage in the Zincton mine has continued serious, restricting production to much less than had been hoped for.

Even with a preference rating for base metal miners, the president states, there has not been a time that they have not been short from 20 to 40 men underground since they increased the mill capacity a year ago. Expected production of 2 million lb. of zinc monthly is running little better than 1¼ million lb.

Equity of the shareholders in the company amounted to more than 42c. a share, which is slightly over what it was a year ago. The company purchased the Paradise Zinc, Lead & Silver mine in the fall of 1942. The property is located in the Invermere district of British Columbia. The lateness of warm weather delayed the starting of work this year, but a small crew is now clearing out the tunnels, timbering, and preparing for diamond drilling, the president states.

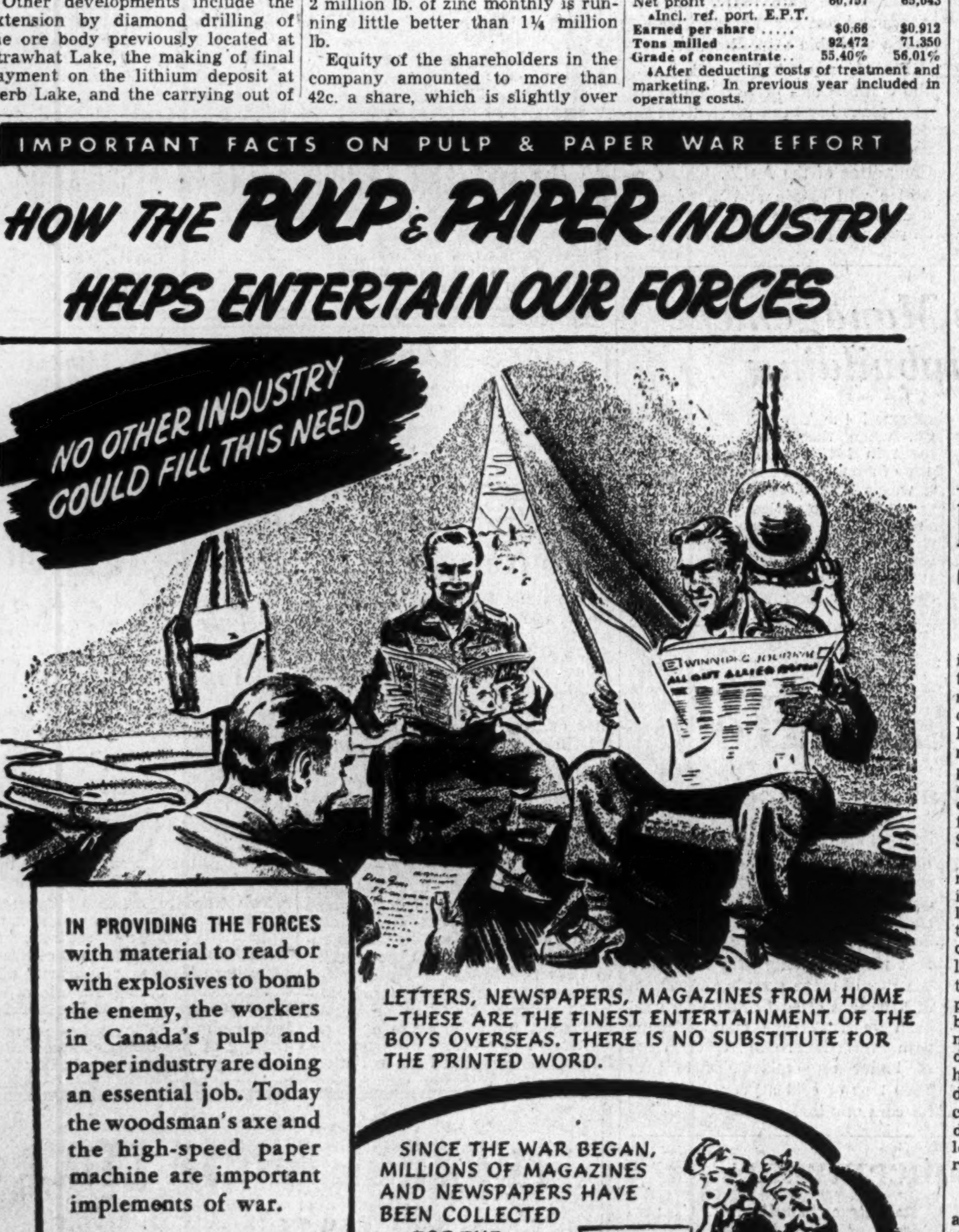
Income Account—Years Ended May 31

	1943	1942
Sheep Creek		
Gross production	769,729	996,548
Less: Mining, devel. & oper.	266,318	376,273
General admin.	16,223	16,918
Oper. profit	487,188	603,357
Add: Other income	26,436	22,369
Net earnings	513,624	625,726
Less: Deprec. & depl.	102,544	110,141
Other expense	5,712	3,327
Outside expl. & dev.	......	649
Income & E. P. taxes	121,000	150,000
Net profit	284,368	361,609
Earned per share:	$0.152	$0.193
Paid	0.19	0.18
Tons milled	49,424	55,072
Recovery per ton	$15.57	$18.09
Zincton Mines		
Gross production	♦$455,950	$925,215
Less: Oper. expense	301,524	850,548
Operating profit	154,426	74,867
Add: Other income	1,643	31,930
Net earnings	156,069	106,597
Less: Camp operat.	4,761	3,592
Deprec. & depl.	16,939	11,962
Income taxes	▲89,990	26,000
Net profit imm. avail.	44,379	65,043
Add: Ref. E. P. tax	16,378	......
Net profit	60,757	65,043
▲Incl. ref. port. E.P.T.		
Earned per share	$0.66	$0.912
Tons milled	92,472	71,350
Grade of concentrate	55.40%	56.01%

♦After deducting costs of treatment and marketing. In previous year included in operating costs.

IMPORTANT FACTS ON PULP & PAPER WAR EFFORT

HOW THE PULP & PAPER INDUSTRY HELPS ENTERTAIN OUR FORCES



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The Week in Oils

From Our Own Correspondent

CALGARY.—Royalite Oil Co. is going to be allowed to continue "overproduction" of its Turner Valley gas wells, because the gas is urgently required for war-essential iso-butanes and ammonium nitrates and for essential civilian requirements of Calgary and other municipalities. But the net profits obtained from the over production are to go to all oil and gas well operators in the field.

These are the latest developments in a fight over the Turner Valley gas pool and the market for gas, now held by Royalite. The fight was initiated a few weeks ago when Model Oils secured a mandamus order from the Alberta Supreme Court requiring the Conservation Board to shut down two Royalite wells adjoining Model wells, which were stated to have heavily overproduced their Brown formula allotments, in effect taking gas from the Model wells. On the same day, the court order was granted, counsel for the Conservation Board stated that 57 other Royalite wells had also over produced their quotas in order to meet the market needs. On instructions from "competent federal authority" (presumably the Oil Controller), this over production was going to be allowed to continue.

• • •

Provide Compensation

Since then, the Conservation Board issued its Order No. 300, granting 57 Royalite gas wells an allotment of 2,539,886 m.c.f. of gas for the period Aug. 4 to Oct. 31, 1943, in line with "express advice from competent federal authority" of minimum requirements for war material and other gas needs.

The order points out, however, that the Royalite gas wells—given a quota of 9,044,795 m.c.f. for the year Nov. 1, 1942-Oct. 31, 1943, in Order No. 139—had produced this plus an additional 3,126,543 m.c.f. by July 31, 1943. This excess, plus the amount authorized under the new order, is to be regarded as "overproduction" and is dealt with in another order.

This order, drawn up by the Conservation Board on instructions from the Alberta Government and placed in effect by Order-in-Council, provides for the compensation to the owner of all oil and gas wells in Turner Valley, in accordance with the principle that the field is a "common reservoir" and that excess withdrawals by any operator are at the expense of all other operators. Under this order, the net return from "overproduction" at the Royalite wells (some 5,600,000 m.c.f. by Oct. 31) will be levied by the Conservation Board against the owners of the overproduction wells, and will be distributed by the Board on a pro rata basis to all oil and gas well operators in the field.

• • •

Full Return Required

On order from the Board, Royalite is required to make a full return to the Board setting out the production of its wells in excess of the "Brown Plan" quotas, the total money received for the gas from all sources, and the reasonable costs and expenses incurred in gathering, transporting, processing, scrubbing and delivering the gas. From this data the Board will determine the total compensation payable, and will levy on Royalite. First levy will cover overproduction profits from April 4 to Aug. 4, 1943. Future levies will cover overproduction profits up to and after Oct. 31, 1943, and will continue as long as Royalite wells are operated in excess of the allowable under the Brown formula of "25 bbls. of reservoir fluid per acre per day."

Indicating that compensation to other producers is not the only Alberta Government action contemplated in regard to Royalite gas overproduction, Premier E. C. Manning stated last week end that "It is the government's intention to recommend further definite legislative action as soon as possible to make the natural gas markets available to all producers and to put an end to the present forced wastage of gas throughout the field, thus doing away with the existing monopoly."

That is the government intends to alter gas marketing arrangements, and to take steps to halt the wastage of upward of two billion cu. ft. of gas monthly, now reported being burned in flare line by producers.

• • •

Starts Wildcatting

Dominion Oil Co. has announced location for the first of a series of wildcat tests to be drilled on the company's large holdings in southeastern Alberta. The initial well, to be known as Chin-Province No. 1, has been staked seven miles south and eight miles west of the three Dominion-Nassau oil-wells in the Taber field. The well will be carried to between 3,300 and 3,400 ft., and will test potential oil and gas horizons from the top of the Lower Cretaceous sand to the top of the Madison lime. Spudding is slated for about Sept. 1.

• • •

Key Test Finished

Destined, if successful, to provide a vitally important extension to the Turner Valley proved area and to open up possibilities of a major extension of the oil field to the north and east, Northwest-Hudson Bay No. 13 completed drilling Aug. 9.

Drilling was completed at a depth of 9,435 ft., 450 ft. in the limestone located to the east of the main Madison Lime uplift. The elevation of well bottom is 5,384 ft. below sea level, nearly 700 ft. below the elevation at which water is encountered in the main uplift limestone to the west.

The upper porous section of the lime drilled from 9,082 to 9,178 ft. Careful test showed it to be free of water, and with satisfactory oil saturation, despite the fact that the zone was encountered several hundred feet below the water level on the west flank of Turner Valley. After an agreement had been reached with Northend Petroleums, the hole having deviated more than the legal maximum, drilling was continued recently to the lower porous. After drilling a thick lower horizon, the bit entered the black lime at 9,425 ft., and drilling was halted at 9,435 ft.

Privateer Mine To Close Soon

Due to an acute shortage of labor it has been decided to close down the Privateer mine, it was announced following a recent meeting of the directors of the company. Reduction of the crew to about 50 men, compared with a full complement of 125 to 130 men, has necessitated this move, and it is expected that operations will be finally discontinued by the end of September.

The situation has recently become more acute, the directors report, as it became necessary to draw a larger percentage of mill feed from the Prident mine where mining by cut and fill operations requires a larger number of men to take out the same amount of ore. It is expected that by the end of September all broken ore reserves will be milled and all shrinkage stopes drawn. Rewiring, machinery overhaul and timbering are either under way or will be satisfactorily completed by the time of closing down so that the mine will be left in good physical condition for reopening at a later date.

Have Ore Developed

There is ample developed ore left at the mine, it is reported, for some months of production when the mill is reopened. With an ample crew available, it is hoped that development could keep ore reserves well ahead of milling.

Some interesting results are reported obtained on outside exploration, and it is hoped that some profitable operation on strategic minerals can be brought in to keep the organization busy and to make some appreciable profit for the company during the period when the mine is closed down.

In spite of the small crew mill production has been kept at a satisfactory level with June production the highest for the year. Approximately the same production is expected for July. During June there was a gross production of $57,311 from 1,509 tons of ore. Recovery was 0.9865 ounces a ton.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

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HAMMER-BLOWS FOR FREEDOM

NOTHING can equal the contribution and the sacrifice that our armed forces are making to preserve our democratic institutions and our very lives.

They, however, would be the first to realize their impotence without adequate equipment. The least we can do is to see to it that they fight the enemy on equal terms.

To do this puts a great onus on Canadian industry. General Steel Wares has long since gone into action with its great productive facilities for the skilled fabrication of a wide range of steel products needed in the Armed Forces. Millions of articles have already been produced and the output is increasing daily.

The disruption to our peacetime production is regrettable but inescapable—we cannot gamble with victory with everything else at stake. When that victory is achieved, our customers' interests will again be paramount.

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O'Keefe's BREWING COMPANY LIMITED is proud to reproduce from the current series of British War Posters, this tribute to the men of the Merchant Navy who carry food and munitions to embattled Britain.

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Canadians too, are playing their part in the gigantic task which this British poster depicts. You take part when you accept the need for sacrifices—when you voluntarily cut down your own purchases. As you keep your own needs to a minimum, so do you release food to feed Britain.

Nickel Plans Its Future

(Continued from page 9)

ils at over $200, might not contain more than approximately 200 nds of steel. Standard steel would give a total material value for h a stove of not greatly over $50 for the completed product, to ich, of course, has to be added the cost of enamel, elements, etc. If the steel in the stove were changed to stainless steel, this cost ld increase from around $5 to perhaps around $20, adding only 5 to the cost of an article for which the consumer is willing to over $200.

The best example of the economics of such a shift has been the duction of the stainless steel train. Despite the tremendously eased initial cost in building trains of this type, the increased life be expected from the stainless steel product, the larger number of sengers that could be carried, its lower weight, greater speed and er operating costs, and the fact that overhauls, repairs and repaint- were greatly reduced, combined to make the stainless steel train iable. Although the train was introduced at a time when railroads uld not make profits with standard equipment bought at lower tial cost, the lower operating costs of the stainless steel train made possible to inaugurate this type of transportation even during the pression of the 1930's.

Just before the war broke out, International Nickel's research men d pioneered a nickel-steel mining skip. This skip which was being ned out by Dominion Bridge Co. of Montreal has already been sted by International Nickel, and because of its lighter weight and sistance to corrosion and abrasion, has also proved itself to be onomical despite greater initial costs.

For the future, the International Nickel's program is simply to ltiply these and hundreds of other cases where scientific applica- n of the qualities of its alloys has brought operating economies spite the disadvantage of higher initial costs.

eaching the Consumer

Thus far, the great majority of the sales drive has been directed ward the manufacturer. The consumer has taken fairly readily the monel metal sink, to nickel and chrome-on-nickel plating, to nel metal hot water tanks and to a number of smaller items. a large extent, this gradually developing program of carrying kel to the final consumer had really only begun when the out- ak of war restricted nickel to the war industry field.

Although the war has interrupted the expansion of the use of ckel by consumers, it has slightly extended its use among indus- alists, particularly among Canadian industrialists. Before the war anadian industry absorbed approximately 2% of the total nickel oduction. Today, owing to the rapid growth of war industry, Canada consuming two and one half times as large a share as formerly. It is pected that Canada's industrialization will permanently alter the ominion's standing among the producing nations, and that the ominion's increased share of the total consumption of nickel will be rmanent.

hifts in Designing

This brings up the second factor which had previously delayed the pansion of nickel into wider fields. The substitution of stainless eel for standard steel involves certain changes in production tech- que, for example dies and stamping machines would have to be justed to using narrower thicknesses of the stainless steel, owing to s greater strength. In many cases, industries which had been geared using standard steels and cast iron, etc., were reluctant to alter eir techniques because it would involve a considerable amount of nployee training and readjustment of machines. In some cases, the alities of the stainless steel necessitates fairly drastic redesigning products. The stainless steel train, for example, is a completely designed job from the previous types.

But during the war, scores of plants which had never worked with rder steels have learned to use them. Heat treating plants, particu- rly the more advanced plants using the induction heat treating ocess, have developed in countless factories from coast to coast ross Canada.

Result is that scores of manufacturers are now prepared to enter e postwar period using new materials, and one of the major obstacles expansion by International Nickel has been removed.

ompetition to Boost Sales

If anything, the shoe is on the other foot. The consuming public, pressed by the tremendous strides of industry during the war, has me to expect a drastic change in the appearance and quality of e articles of everyday life. The penalty on the manufacturer who es not make the fullest possible use of the new techniques and new aterials may be severe. Competition is likely to be extremely tense for some years to come, and the manufacturer who is left ehind in the race is not likely to survive.

Today, International Nickel is already beginning to receive requests om manufacturers for assistance in planning newer and better oducts. As soon as International Nickel's research men are free to evote their energy to solving these problems for their customers, the ew era in production will begin to take shape. Although the company as hitherto taken the lead in pioneering the use of its products rough its research facilities, it may find that postwar competition mong manufacturers will solve the sales problem almost auto- atically.

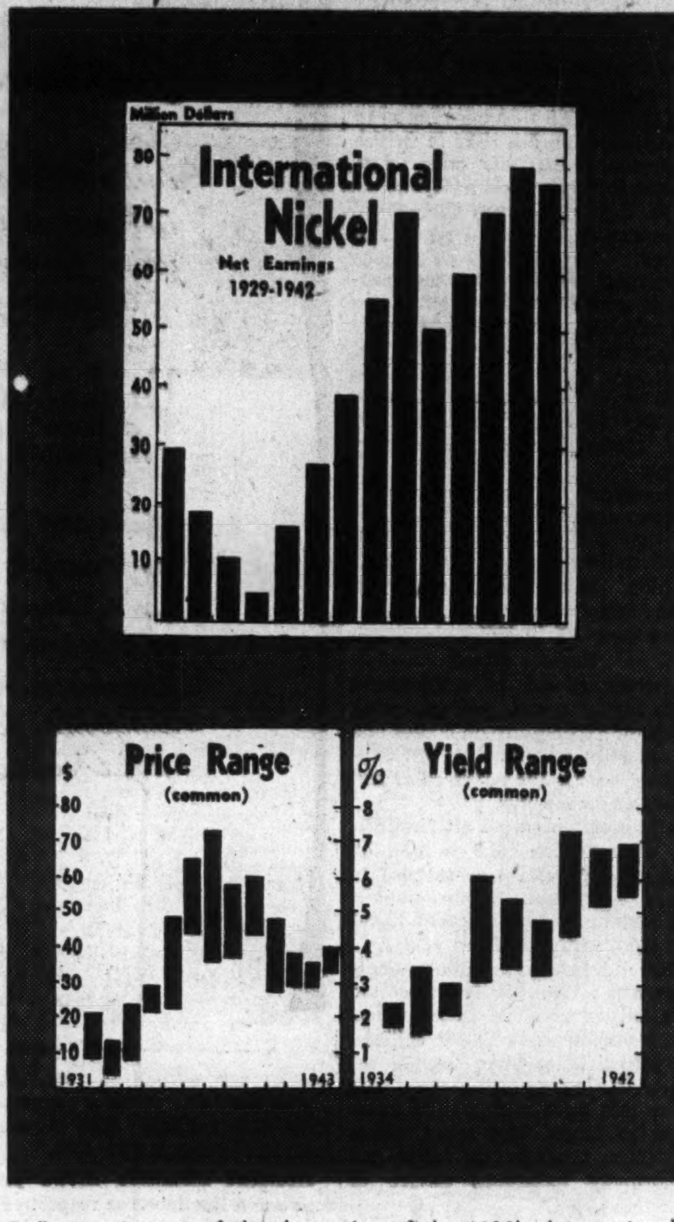
The role of nickel in the postwar "battle of the metals" is likely to e relatively undisturbed. While the tremendous expansion in alu- inum and magnesium will undoubtedly affect the lower priced etals, nickel sells at 35c. a pound compared with 15c. a pound for luminum and there has not been any question of competition on a rice basis for more than a decade. The copper production of Inter- ational Nickel which has, in the past, run roughly one and one half o two times as great as the production of nickel itself, is likely to e more seriously affected.

But early in its career, the company made the basic decision that copper was to be regarded as a by-product, with the major emphasis on nickel production and development. Hence, even if the gloomiest predictions on the future of copper should come true, which is by no means certain, the outlook for earnings for International Nickel might not be drastically affected. By shifting emphasis from ore bodies with a high copper content to bodies with a low copper content, the company is able to adjust production to fit current market conditions.

So long as the current level of taxation remains, it is clear that International Nickel will be unable to show increased earnings. But operating earnings, currently running between $75 and $80 millions annually, compare with an average of between $50 and $60 millions in the four years preceding the war. Taxes are absorbing roughly $15 millions more than before the war, and depreciation and depletion roughly $5 millions more.

It would appear from these figures that under normal peacetime operations, International Nickel could show a net profit perhaps $20 millions higher than the current earnings rate, if the same volume of production were maintained. If this should occur, it is clear that earnings per share would run comfortably above $3 per share, in contrast to last year's $2.11, and the current dividend rate of $2.00.

Since only a small fraction of 1% of the total world production of steel would have to be converted to stainless steel to absorb all of International Nickel's indicated current output, achievement of these hopes may be realized more easily than might at first be expected. It may even prove, as was the case after the last war, that the wartime expansion of International Nickel will prove inadequate for its full peacetime needs.



Reflecting impact of the depression of the 1930's, International Nickel reported a small loss in 1932; had net earnings, before depreciation, taxes, etc., as charted at the top here, of only $4.5 millions. More recently the company's net earnings have ranged from $50 millions to almost $80 millions. Its wartime net profits have been pretty well stabilized by EPT and control of selling prices at a little above $2 a share, giving narrow coverage of the $2 dividend. Market action of common shares, charted at the left below, have reflected the company's changing fortunes with a considerable stability shown the past three years. Range of yields on the common, charted at right below, with dividends stabilized at $2 a share, has tended upward during the war period.

International Nickel Statistical Summary

	Net Sales $ millions	Net Profit $ millions	Per Common Share Earned $	Per Common Share Paid $	Working Capital $ millions	Price Range Common High $	Price Range Common Low $
1929	....	22.2	1.47	0.90	32.2	73	25
1930	....	11.8	0.67	1.00	30.1	44½	12¾
1931	....	5.1	0.22	0.45	25.5	20½	8⅝
1932	....	*0.1	*0.14	nil	25.9	13½	4
1933	....	9.7	0.53	nil	35.2	23¼	8
1934	....	18.5	1.13	0.50	40.2	29	21⅛
1935	....	26.1	1.65	0.75	50.5	47¾	22¼
1936	....	36.9	2.40	1.30	63.6	66⅛	43⅛
1937	134.5	50.3	3.32	2.25	67.1	73¼	36¾
1938	107.2	32.4	2.09	2.00	63.7	58	37
1939	126.5	36.8	2.39	2.00	66.5	60⅛	42¾
1940	143.7	35.5	2.30	2.00	75.0	47	27½
1941	169.7	34.4	2.22	2.00	83.0	38¼	29¼
1942	169.6	32.7	2.11	2.00	88.8	36¼	29

*Loss.

The Grand Valley Masters Its River

(Continued from page 9)

Grand Valley dam looks like little more than a biggish chunk of concrete in the middle of a gravelled embankment, though the lake, when full and covering approximately 2,000 acres, is already imposing. But this dam, the first of its kind in Canada, is really big and quite elaborate.

Approaches on either side are almost a quarter mile long and more than wide enough at the top to accommodate the single line railway which traverses it. At the centre the embankment is 80 ft. above the bed of the river. Centre is a hard core of clay and rock excavated locally and this is faced with a thick coating of crushed rock on either side.

The dam itself is of concrete, about 150 ft. long, and consists of four main steel gates, 30 ft. square and weighing 35 tons each. Under gates and spillway are three steel conduits, the lower one 66 in. in diameter and the two others, 14 ft. higher, 48 in. These are used to control normal flow. The dam is operated by electricity, large motors—some on top and some below, operating various valves and gates.

In normal times the dam can be operated automatically, valves opening and shutting to keep the lake at any desired level or to allow the required flow into the river.

Cost of the dam proper was about $1 million and cost of the land and other property expropriated approximately a quarter million. Biggest single item of other expenses was moving the branch line of the CPR, several miles of new track having to be constructed as well as much grading and ballasting. Cost of this job was $300,000. Other major items were diversion of roads, including a provincial highway, and building of bridges.

Delayed, and for a while nearly stopped by the outbreak of war, construction of the project was spread over three years, but it is estimated that the 200 who worked on it at various times could have finished the job if no delays had occurred, in probably 18 months.

Main Object

The main object of the dam is conservation and control of water in the Grand River basin. No direct power is developed owing to the great variation in the flow though it is believed that, if necessary, sufficient electric current could be generated to handle operation of the dam at least.

Operation is simple. In the spring when water is normally high, sufficient is collected nearly to fill the lake which holds 46,000 acre ft. (An acre foot is the amount of water necessary to cover one acre one foot deep.) Some margin would usually be retained just in case an unexpected late flood should happen along and need sudden accommodation. The rush of water following the rain of May 12-13 this year was in that category.

Power and Flood Control

During the summer and fall, and especially from early July until October, the surplus water is gradually released through the dam so that a steady flow may be maintained in the river below to operate water wheels, dispose of sewage, and help to maintain water levels generally throughout the valley. In this way crests are knocked off floods in the spring and the river is kept from shrinking too much, as it used to do in July and August.

Indirectly, of course, much additional water power is provided mills along the lower Grand during the summer months and the Commission, under special Act of Parliament, has the right to levy charges for this extra water it provides above the normal intake of the upper river.

Income Sources

That will be one source of income. Another will come from rental of land, the revenue of farms expropriated, around the lake. Altogether the Commission has about 1,000 acres of such land. Pieces will be rented as farming land but most of the actual shore line will be retained as sites for summer cottages and for reforesting. Already over 50,000 seedling trees have been planted and more will follow.

Details have not yet been completely worked out yet but the general plan is to retain ownership and supervision over lakeshore and approaches. Eventually sufficient income is expected to be derived from rental of summer cottages, and farm land, plus charges for extra water to industrial concerns and municipalities operating down river, to pay all maintenance costs at least of the project and possibly to pay off capital indebtedness.

The Grand Valley Conservation Commission is a permanent body on which are representatives of the largest municipalities in the valley. All business is handled by the Commission or its employees. To it is paid the federal, provincial and municipal grants. It lets the contracts, decides in cooperation with the Ontario Hydro Commission on regulation of water flow.

Directly representing the municipalities of Brantford, Kitchener, Galt, Waterloo, Preston, Paris, Fergus and Elora, as well as all the area generally in the Grand River basin, the Commission, it is reported, has never encountered any serious friction—either internal or external. Petty rivalry seems to have been submerged in an aim to get common action on a common problem. There have been differences of opinion and some isolated opposition in each of the municipalities. There was also litigation and considerable criticism encountered in creating the lake at Belwood. But once the necessary provincial legislation was secured, work has proceeded as planned and fairly well on schedule considering the fact that war broke out after actual construction was started.

Once the war is over the Commission is hopeful of completing the job. This will be construction of the three other main dams necessary, one probably as large as the Grand, the other two much smaller. The Commission also hopes to develop a scenic highway and start conservation and beautification work all through the Valley. In such building and development, it means practical, healthy and creative jobs for several hundred men for long periods in the postwar era.

Inter. Milling Calls Meeting

Preferred Shareholders to Consider Proposal for Share Exchange

In response to proposals made to the company calling for a change in the dividend rate of the 5% 1st preferred stock of the company to 4%, International Milling has called a meeting of preferred shareholders at which a plan of exchange will be presented. The decision will apparently be concerned with whether to make the change on the basis of an exchange of shares, as the plan proposes, or to redeem the present shares for cash.

The plan provides for the exchange of present shares for new 4% shares, on the basis of 1 old share for 1 1/20 new shares. The new shares would carry substantially the same provisions as the old except for the dividend rate and provisions for redemption. The present stock is callable at 105 while the new will be callable at 100 plus $10 a share if called on or before Oct. 15, 1947, with this premium decreasing thereafter $1 a year until Oct. 16, 1951, when the premium of $5 then provided shall remain constant.

The certificate of incorporation will also be amended to permit long-term obligations to be incurred by the company either secured or unsecured, and in an amount $2 millions in excess of previous borrowing limits. This, it is stated by Chas. Ritz, president, in a letter to shareholders, will permit borrowing more in line with current financial practise and with the net worth of the company. Former obligations had to be secured by mortgages.

All the original proposals for a change in the dividend rate suggested a calling of the old shares for cash, the letter states. The officials of the company feel, however, that the preferred shareholders should be given a chance to express their choice in the matter before definite action is taken, and the present plan was drawn up to present a concrete alternative to cash redemption.

The present 5% preferred, offered by A. E. Ames & Co. in 1937 at 99, is redeemable at 105 on 45 days' notice.

Plan for Allocation Newsprint Opposed

From Our Own Correspondent

MONTREAL.—American publishers have reacted strongly to the rumor that the War Production Board was planning the allocation of newsprint.

Under present regulations each publisher knows from his records just exactly how much print paper he may order each quarter, and what amount of inventory he may have on hand. The order provides these limitations and it is left to the publisher to live within the order.

It is reported, says the American Newspaper Publishers Association, that one type of allocation under consideration contemplates allocation by the WPB's pulp and paper division of so much print paper for use by newspapers and then the WPB Printing and Publishing Division would in effect "cut up the pie." The divided "pie" next would be referred to the pulp and paper division which in turn would authorize shipments from print paper mills in the amount allocated to each newspaper.

ANPA Seeking More Pulpwood

Sees Critical Situation Unless Cut Increased 3½ Million Cords

From Our Own Correspondent

MONTREAL.—A critical shortage of pulpwood is faced by the pulp and paper industry in both the United States and Canada, says the American Newspaper Publishers Assoc. To avoid an actual shortage, the Association urges maximum efforts be made to cut an additional 3.5 million cords of wood.

"A committee of the ANPA board of directors," the Association says, "has conferred in Canada with Canadian newspaper publishers, representatives of Canadian newsprint manufacturers, and representatives of various branches of the pulp and paper industry in Canada, including those responsible for their wood-cutting and their manpower in the woods. A complete report has been made to the Canadians on the effort of the pulpwood-cutting drives in the United States, especially the program of the newspaper publishers headed up with a committee of which Walter M. Dear is chairman.

"Regardless of what may be the month to month analysis of the current situation and its bearing upon WPTB's orders on newsprint consumption in the United States, it is important that every daily newspaper publisher, especially the larger users, exert more than ordinary efforts to reduce their consumption below what they are entitled to use by WPB's order L-240. It is not sufficient that consumption be brought into balance with production—consumption should be brought below present production and stocks on hand maintained unimpaired and increased so as to be in a more secure position to face the unknown available wood supply both in the United States and Canada to care for the multiplicity of uses of wood."

Company Reports

A. W. Chase

During the year ended April 30, 1943, A. W. Chase earned profits of $51,683, compared to $45,146 in the previous year. This was after taxes of $85,339, nearly double the amount for the year ended April, 1942.

This large increase in profits came after an approximate doubling of earnings over the previous two years. In his report to the shareholders, W. J. Stone, president, reports that the obtaining of raw materials is becoming an ever-increasing problem, though so far no curtailment of operations has been necessary.

Dividends of $2.50 a preferred share have been continued and future dividend policy cannot be predicted due to the uncertainties of the situation, the president reports.

Income, Surplus—Years Ended April 30

	1943	1942
Net consol. income	$137,022	$ 89,708
Less: Inc. tax prov.	*85,339	44,562
Net profit	51,683	45,146
Less: Pref. divds.	21,768	21,768
Surplus for year	29,915	23,378
Add: Prev. surplus	101,512	78,134
Inc. tax adjust.	135	...
Balance fwd.	131,562	101,512
*After deducting ref. port., unstated amt.		
Earned per Share:		
Preferred	$5.93	$5.19
Paid	2.50	2.50
Working capital	$187,211	$159,996

Twin City Transit

Net profits of Twin City Rapid Transit increased by well over 100% for the first six months of 1943 as compared to the same period in 1942. Net profit for the first six months of 1943 amounted to an estimated $869,635.

Income Statement—Six Months Ended June 30

	1943	1942
Oper. revenue	$7,332,527	$5,386,957
Less: Oper. expense	5,242,662	4,250,572
Oper. income	2,089,865	1,136,385
Add: Other income	15,902	8,848
Net earnings	2,105,767	1,145,233
Less: Interest	347,970	390,071
Amort. of debt disc.	24,328	27,267
Misc. debits	7,609	9,829
Inc. & surtax	856,225	345,000
Net income	869,635	373,066

Leitch Gold

Net profits of Leitch Gold Mines showed little change from the first to the second quarter of 1943, amounting to 2.4c. a share in both periods. A reduction in tonnage milled, higher per ton operating costs, and an increase in the grade milled combined to leave the net result almost unchanged.

Earnings Statement—1943, Quarters Ended

	June 30	March 31
Production	$233,273	$235,893
Less: Oper. & admin. exps.	101,008	100,101
Oper. profit	132,265	135,792
Add: Other income	7,455	4,734
Net earnings	139,720	140,526
Less: Depreciation	15,894	15,894
Deferred dev. w/o	7,977	7,977
Tax reserve	34,000	33,000
Exp. on expl.	11,508	13,553
Net profit	70,341	70,102
Tons milled	6,831	7,646
Recov. per ton	$34.14	$30.85

York Knitting

Net profit of $238,148 was earned by York Knitting Mills for the year ended Dec. 31, 1942. Out of this, $100,000 was set aside as a reserve for contingencies, compared with no provision in 1941, when the net profit amounted to $134,935.

Earnings per common share for 1943 were just double those of the previous year, amounting to 90c. Dividends of 40c. a share were paid on the common stock, the same as for 1941. During the year $50,000 of 4% bonds were redeemed and expenditures on new plant came to $29,458.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Operating profit	$512,041	$474,709
Add: Other income	2,700	2,550
Total earnings	514,741	477,259
Less: Depreciation	116,991	114,303
Bond interest	34,167	36,021
Invent. reserve	......	50,000
Inc. & E. P. taxes	125,435	142,000
Net profit	238,148	134,935
Less: Pref. divds.	31,500	31,500
Common divds.	91,605	91,605
Surplus for year	115,043	11,830
Add: Prev. surplus	1,041,919	1,030,088
Less: Loss on mortg.	8,708	......
Conting. reserve	100,000	......
Earned surp. fwd.	1,048,254	1,041,918
Earned per share:		
Common	$0.90	$0.45
Paid	0.40	0.40
Working capital	$1,439,467	$1,366,302

Montreal Stock Values Advance $1½ Billion

Nearly $1½ billions were added to the value of securities listed on the Montreal Stock Exchange and Montreal Curb Market during the year ended July, 1943. At that time the figure stood at $7,464 millions compared with $6,040 millions a year ago. The present figure also tops the total of $7,243 millions for June 30 by $220.2 millions.

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Community Problems Studied at Macdonald

From Aug. 21 to Sept. 3, grounds of Macdonald College, Ste. Anne de Bellevue, Que., have been placed at the disposal of "Camp Macdonald", which will conduct a course in problems of community organization and leadership. Fee for the course is $35 for the full 16 days, including board and lodging—$18 for one week and $3.50 for a week end.

A feature of the studies will be the impact of war on community organizations and what war has contributed to knowledge of and solution of the problems of Canadian communities.

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Accident Insurance

Personal Hazards Increase

Insurance Offers Cover to People Suffering Mishaps

Every day the newspapers carry stories of accidents that have happened to people resulting in broken legs, fractured skulls and burns. But for every one of such accidents reported there are probably a score that don't get in the news. Some of these are on the street or in public places. Many are in the home. Summer resorts, golf courses, gymnasia and swimming tanks, all make their contribution.

Wartime conditions in trade and industry tend to increase the opportunities for accidents. Streets are not so well lighted at night, more crowded in daytime, factories are busier, people as a whole are more fully engaged and often as a result are more careless about where they walk and how they step. They don't take time to think whether their action may cause injury to themselves or somebody else. Accordingly chances of an accident are greater than usual.

Wartime conditions in business and domestic life are tending to increase chances of accidental injuries being sustained by the individual. These accidents often result in substantial financial loss to the person injured. To meet the situation the insurance companies offer a wide range of personal accident policies which offer indemnity for lost income and medical expenses. These policies often include similar benefits for sickness.

May Cause Heavy Loss

These accidents when they occur may bring in their train substantial financial loss through absence from work, fees for medical attendance, hospital expenses, etc., and may also cause impairment of the individual's earning power which may be temporary or permanent.

Of course if the injured person receives his injury while on business for his employer, the accident will be classed as an industrial accident and probably he will qualify for benefits under the Workmen's Compensation regulations. But he may want greater benefits than the Workmen's Compensation provides or he may not be eligible for workmen's compensation benefits. This might be because he is the type of worker not covered by Workmen's Compensation regulations or because the injury was received when not about his employer's business.

In the Home

For example, a person may fall down the cellar stairs at home, may trip over something in the backyard or on the street or may twist an ankle. The housewife may burn herself on the cookstove or on a hot iron.

If the accident is caused by the negligence of somebody else, the injured person may be able to collect damages. But two necessary conditions to this are: that he must be able to prove the accident was caused by the other person's fault and that the person to blame has the financial resources to pay.

It is frequently a difficult matter to prove the other fellow at fault. He will not willingly admit he is to blame, especially if it is going to cost him money. If he admits liability he may have no financial resources of his own and no insurance. If he has insurance covering his liability for accidents caused other people, the insurance company will want to be shown just why it should pay, and it is not always possible to produce satisfactory proof.

Accordingly, in many cases the victim of an accident, even if entirely blameless, has to pay his own medical costs, and in many cases will forfeit his wages while away from work.

To meet such cases, personal accident insurance policies are sold by many insurance companies in Canada. These accident policies provide indemnity for loss of time, and common expenses such as doctor's or nurses' charges and hospital fees. X-ray charges can be added. Special benefits are also provided for accidental death, loss of sight, limbs, etc. Accident policies often include sickness insurance, which gives fairly similar benefits.

Contracts Vary

Conditions of the contracts offered vary with the different companies and there is considerable variation in the policies offered by the same companies. In some cases indemnity may be payable during a stated period, say, three months. In other cases it may be payable during the life of the disabled policyholder provided such disablement confines him to the house.

There are other variations such as when benefits do not begin until a day or a week or a month has elapsed. This is somewhat similar to the deductible clause in an automobile collision policy. Then coverage may be limited to certain types of accident such as those caused by an automobile, or sickness brought on by certain diseases. In cases where the liability of the insurance company is limited, the premium is lower.

Normally, personal accident contracts are fairly flexible and can be fitted closely to the needs of every individual.

B. C. Fire Loss Rises Sharply

Provincial Insurance Report Shows Life Insurance Has Big Year

From Our Own Correspondent

VANCOUVER — Abnormally heavy losses on fire risks in British Columbia, rising from 26% of premiums to nearly 45%, are reported by H. G. Garrett, superintendent of insurance, in his annual report just issued.

Personal property insurance payments were also heavier, but it was a profitable year in life and automobile insurance. It was the biggest year for life insurance since 1937, with fewer losses, smaller number of lapses and surrenders and more repayments of policy loans.

Premiums for the year were $16 million against $15.3 million in the previous year. Disbursements were $11.2 million compared with $11.7 million. Disbursements were less than 70% of premiums against more than 75% in 1941.

Reasons Given

Greater spread of employment with higher wages and narrowing fields for expenditure on houses and automobiles are given by Mr. Garrett as reasons for larger sales and fewer disbursements.

Life premiums were $13.2 million on ordinary life, $1.9 million on industrial policies and $947,000 in group insurance. Group policies, incidentally, have increased about one third in the past five years.

Fire insurance disbursements were $1.8 million, or 44.94% of the $4.3 million received in premiums in 1942, compared with $1 million, or 26.37% of the $4.3 million received in premiums, in 1941. Not since 1938 have comparative losses been so large. The cause, states Mr. Garrett, lies in "the tempo and abnormally hazardous nature of war industries."

Automobile loss ratio was 41.31% the lowest in 15 years. Net premiums written were $2.6 million against $2.9 million in 1941. Net losses were $1.1 million, compared with $1.3 million. The average ratio in 15 years is over 55%.

Accident insurance shows premium and loss increase respectively to $836,000 and $397,000, compared with $637,000 and $293,000 respectively.

The still experimental personal property insurance showed a loss of $529,000 against premiums of $517,000, compared with $352,000 and $126,000 in 1941.

More Sterling Held by Bank

Bank of Canada Also Reports Lower Investments and Note Circulation

Increase of almost $16 millions, in holdings of sterling exchange, is shown in the weekly statement of the Bank of Canada for the week ended Aug. 11. This account, almost wiped out a few weeks ago by transfer of a large amount of sterling to the Foreign Exchange Control Board is again creeping upward as proceeds from the sale of wheat, etc., to the United Kingdom, etc., are received. This was offset by declines in investments and miscellaneous assets, so that total assets were little changed from the previous week.

On the liability side, most important change was a drop of about $31 millions in note circulation. Deposits of the Dominion Government and miscellaneous deposits were lower. An increase in chartered bank deposits probably resulted from the banks increasing their reserves with the central bank against their deposit liabilities to the public.

Liabilities	Aug. 11 1943 $	Aug. 4 1943 $
Capital paid-up ..	5,000,000	5,000,000
Notes in circulat'n	748,815,039	779,834,593
Rest fund	6,472,953	6,472,953
Deposits: Dom. ..	48,598,834	54,145,118
Banks	*295,281,596	287,694,919
Other	24,974,987	33,292,153
Total deposits ...	368,855,418	375,112,189
All other liabs. ..	14,397.854	13,432,309
Total liabs.	1,179,541,264	1,179,852,044
Assets		
In Sterling & U.S.	20,103,341	4,313,540
Subsid. coin	218,091	203,627
Investments:		
Dom. govt. sh. .	807,116,145	816,361,648
Other Dom. gov.	336,649,378	332,206,011
Total invest.	1,143,765,523	1,149,567,659
Premises	2,102,023	2,101,489
All other assets .	13,352,286	23,665,729
Total assets	1,179,541,264	1,179,825,044

Weekly Bank Clearings

	Aug. 12 1943 $	Change year ago %	Aug. 5 1943 $
Halifax	3,872,656	+4.5	4,876,466
Saint John .	2,798,658	+13.6	3,501,949
Moncton	1,105,232	+8.1	1.270,355
Sherbrooke .	1,278,709	+56.2	981,582
Quebec	5,488,109	+2.1	6,819,927
Montreal ...	133,070,653	+27.9	164,796,302
Ottawa	89,663,353	+19.4	95.620,594
Kingston	849,547	+6.1	828,075
Toronto	126,483,933	+6.6	159,129,218
Hamilton ...	5,704,479	—13.0	8,346,713
St. Catharines	1,157,150	—12.1	1,506,191
Kitchener ..	1,258,364	+13.1	1,239,330
Brantford ..	973,464	+1.4	699,413
London	2,775,347	—36.1	2,887,829
Chatham	613,908	—10.9	767,106
Windsor	3,845,390	—24.5	3,821,777
Sarnia	780,450	+69.5	858,733
Sudbury	1,011,106	—19.8	1,065,576
Fort William	1,212,926	+8.8	1,069,191
Winnipeg ...	70,091,742	+47.7	73,258,010
Brandon	583,169	+27.6	608,160
Regina	7,531,513	+46.9	7,557,019
Moose Jaw .	949,297	+12.3	939,184
Saskatoon ..	2,210,021	+23.9	2,542,477
Prince Albert	643,895	+10.1	644,175
Edmonton ..	7,866,602	+40.6	8,261,716
Calgary	7,842,067	+28.3	9,147,851
Medicine Hat	509.913	+53.6	422,856
Lethbridge .	842,526	+12.7	794,561
N. W'minster	924,314	—3.5	544,145
Vancouver ..	24.140,680	+7.3	33,341,192
Victoria	1,907,160	+12.2	2,387,333

Monthly Bank Clearings

	July 1943	July 1942
Brandon	$2,554,691	$2,271,345
Brantford	5,371,241	4,783,392
Calgary	35,170,310	27,839,302
Chatham	3,273,278	2,943,435
Edmonton	38,475,345	26,851,176
Fort William	4,836,660	4,894,395
Halifax	20,456,598	19,429,584
Hamilton	34,647,310	30,723,120
Kingston	3,799,645	3,507,137
Kitchener	6,444,738	5,554,579
Lethbridge	3,811,911	3,023,631
London	14,455,360	13,309,030
Medicine Hat	2,489,760	1,508,065
Moncton	5,771,237	5,194,223
Montreal	690,227,366	583,086,429
Moose-Jaw	4,280,004	3,367,429
New Westminster.	3,869,830	4,419,087
Ottawa	431,885,276	229,777,771
Peterborough	3,999,548	3,432,615
Prince Albert	2,660,537	2,129,388
Quebec	27,900,998	25,709,327
Regina	35,573,832	24,494,213
St. Catharines ...	7,084,440	5,994,713
Saint John	13,345,239	10,367,335
Sarnia	4,083,448	2,071,986
Saskatoon	9,482,388	8,167,158
Sherbrooke	5,204,307	4,408,105
Sudbury	4,994,672	4,640,584
Toronto	786,027,467	607,825,622
Vancouver	132,232.150	112,257,321
Victoria	9,778,398	9,886,686
Windsor	19,266,775	21,314,741
Winnipeg	314,962,254	194,895,165

Canadian Foreign Investment Corp. reports retirement of a further 99 shares of preferred stock. The number of preferred shares for which certificates are out is 2,178, of which 308 have been called, leaving the net figure of 1,870 shares.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

J. H. RATTEE, to be manager, Barrie, Ont.

H. J. JOHNSON, to be manager, Liverpool, N.S.

W. D. McARTHUR, to be assistant manager, Hamilton.

J. S. BURCHELL, to be accountant, Calgary.

W. TAYLOR, to be assistant accountant, Calgary.

R. C. STODDARD, to be manager, Glace Bay, NS.

G. W. HARTWICK, to be accountant, Rideau & William Branch, Ottawa.

The Wawanēsa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets .. $3,819,972.11
Surplus 2,014,637.07
Dom. Govt. Deposit 1,939,324.33
— Write for Financial Statement —
Head Office, WAWANESA, Man.
Eastern Office: TORONTO, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg and Montreal.
2,000 Agents Across Canada.

FIDELITY
Insurance Company of Canada
TORONTO

Banking Service
1817-1943
BANK of NEW SOUTH WALES
Head Office: Sydney, Australia
General Manager: SIR ALFRED DAVIDSON, K.B.E.
Assets of £164 millions.
Branches throughout Australia, New Zealand & Pacific Islands.
London Offices at 29 Threadneedle St., E.C.2. and 47 Berkeley Square, W.1.
Agency arrangements with Banks throughout the World.

The Independent Order of Foresters
A strong progressive fraternal society which since 1874 has served the homes of the land.
Modern Insurance Certificates and Fraternal Benefits.
ASSETS OVER $45,000,000
VICTOR MORIN, LL.D., Supreme Chief Ranger
Head Office: - - Toronto, Canada

FIRE • CASUALTY • MARINE
EAGLE 1807 STAR
INSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
RESOURCES OF THE COMPANY
As at 31st DECEMBER, 1942
The following statement for 1942 of the Eagle Star Insurance Company denotes further progress along sound and profitable lines, despite the difficulties of conducting business during wartime. A considerably increased volume of new life business has been handled, while the aggregate premium income of the fire, accident and marine departments was greater than formerly. In addition, highly satisfactory trading profits were achieved throughout the year's transactions. Sir Edward Mountain, Bart., Chairman and Managing Director of the Company, said at the Annual Meeting:—"British Insurance Companies have in the past been the pride of our Country and the admiration of the rest of the World, and have been a most important asset in the Country's trading."

Paid-up Capital	$ 16,281,000.00
General Reserve Fund	12,150,000.00
Profit and Loss Account	3,074,445.72
Provision for Pensions	1,458,000.00
Life Assurance and Annuity Funds	79,299,997.92
Sinking Fund and Capital Redemption Fund	4,907,044.80
Fire Insurance Fund	2,381,186.16
Accident, Employers' Liability, Motor and General Insurance Funds	5,167,774.08
Marine Insurance Fund	3,635,182.80
	$128,354,631.48
Uncalled Capital	9,995,163.48
	$138,349,794.96
PREMIUM INCOME	
Fire, Marine, Employers' Liability, Accident, Motor and General Department	$ 17,750,834.10
Life, Annuity, etc.	8,129,142.18
	$ 25,879,976.28

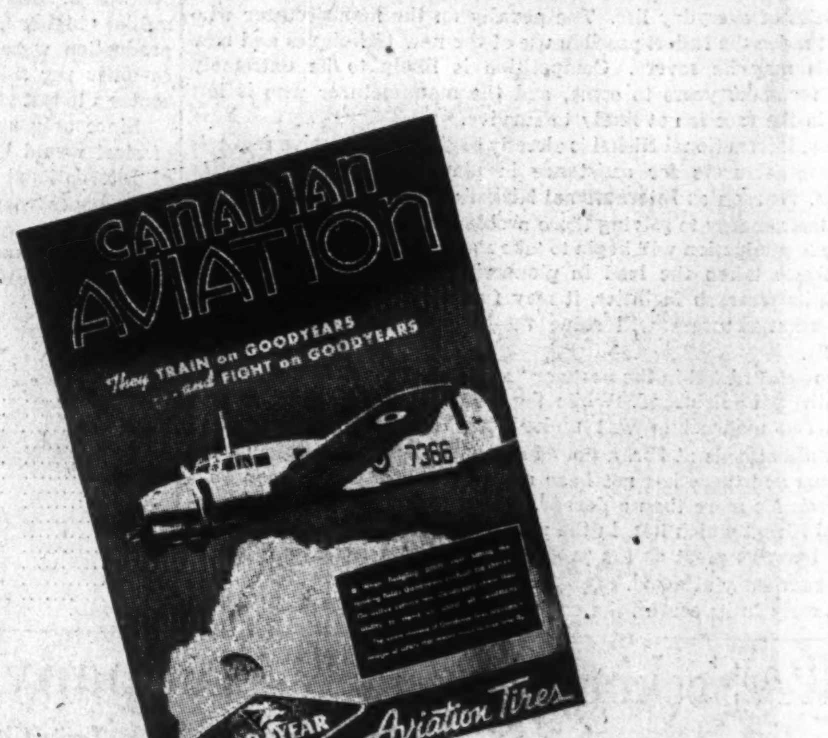
Head Office for Canada: 217 Bay Street, Toronto
J. H. RIDDEL, Manager for Canada
V. G. CREBER, Asst. Mgr.

A Letter to Pipe Smokers
Gentlemen:
Owing to war time restrictions on imports, many world famous brands of pipe tobacco are now unavailable in Canada. If your favourite smoking mixture should be one of these, may we respectfully draw your attention to
Brahadi's CELEBRATED SMOKING MIXTURES — W.D.&H.O. WILLS' English Mixture — Piccadilly LONDON SMOKING MIXTURE
These are produced in Canada on formulas based on popular imported types, and some smokers like them even better. Ask your dealer which of these brands is closest to what you have been smoking. A trial will convince you that they compare favourably with the world's leading pipe tobaccos.
Sincerely
The Manufacturers

SERVING CANADA'S AIRCRAFT INDUSTRY

EDITORIAL STRENGTH...
CANADIAN AVIATION, published monthly, has been serving Canada's Aircraft Industry for 16 years. In keeping pace with this great, growing industry, we have constantly increased our editorial staff until CANADIAN AVIATION now has the services of FIVE specialist editors:—
RONALD A. KEITH—*EDITOR (on war service)*
J. L. BURTON LEWIS—*Associate Editor*
R. E. CRAWFORD, *B.Sc.—Consulting Technical Editor*
CAPT. A. ROY BROWN, D.F.C. and Bar—*Technical Adviser.*
E. J. WILKINSON—*News Editor*

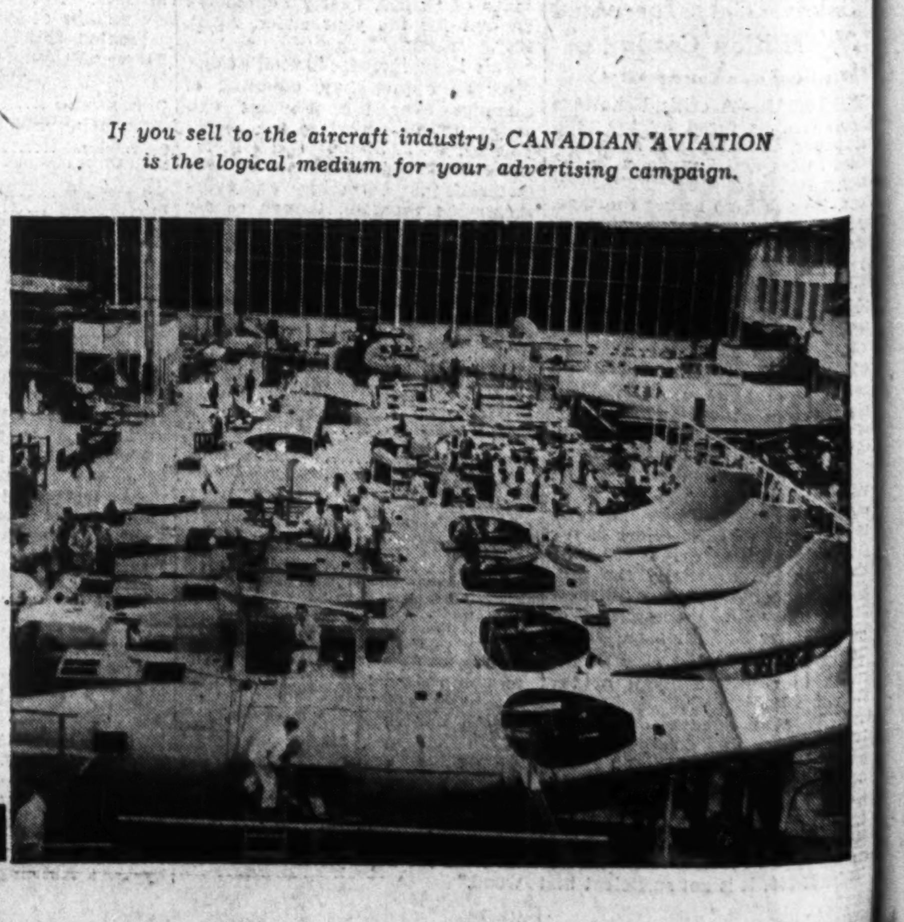
COMPLETE COVERAGE...
With a monthly, *audited* circulation of 6,000 copies, CANADIAN AVIATION provides the greatest coverage of the aviation industry across the Dominion. This blanket coverage of the aeronautical industry represents practically *80% PAID* circulation ... definite proof of reader interest by the MEN WHO COUNT in aviation! These readers include R.C.A.F. Officials, Dept. of Munitions and Supply, Aircraft executives, design engineers, purchasing agents, plant superintendents, production managers, foremen and workmen.



ADVERTISING PREFERENCE...
In addition to our editorial leadership and powerful circulation, CANADIAN AVIATION is 'way out front in the volume of advertising carried. For the first six months of 1943 CANADIAN AVIATION carried more advertising than *all* the other Canadian aviation papers *combined*. Advertising leadership is not an "accident." It follows editorial superiority and genuine reader interest.

If you sell to the aircraft industry, CANADIAN AVIATION is the logical medium for your advertising campaign.

These are hard *facts* that are keeping this great paper the leader in its field.



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481 University Avenue
Toronto, Canada
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